

NEWS SUMMARY

ERAL

BUSINESS

Standard of living falls sharply

U.K. STANDARD of living dropped more sharply than at any time since 1955, during the second and third quarters of this year, but this still left living standards no lower than the levels reached in late 1975.

WALL STREET closed 3.15 higher at 911.12. The Dow Jones Industrial Average showed a

PRICES of Government stocks have seen some of the biggest individual rises on record over the past week after a further burst of hectic buying in late dealings yesterday.

Spurred by the continued enthusiasm of the gilt-edged market, equity prices also moved ahead sharply late in the day to take the FT Ordinary share index above the 400 mark for the first time since November 1973. At 401.6 the index was a full 175 per cent up on last January's low of 146.0.

The gilt-edged market saw another heavy buying spree after the announcement of the terms of yet another £1.1bn. issue of Government stocks, replacing the issues which had been exhausted by heavy buying earlier in the week.

Though the Bank of England's minimum lending rate remained unchanged at 11 per cent, yesterday, the City is confident that further reductions in U.K. interest rates are on the way. Yesterday the emphasis was on the long end of the gilt market, the stimulus being provided by the terms of the £600m. issue of a 13 per cent, 1980 stock at 98.

With price rises of up to 22 1/2 per cent yesterday after the news of the new stock issues, some gilt-edged stocks were shown gains of as much as 6 1/2 per cent in the past four days dealing. The old long-dated "tap" stock, Treasury 13 1/2 per cent, 1997 "A", for example, stood last night at 96 per cent, after touching 98 1/2, compared with 89 1/2 per cent on Monday. Biggest ever one-day increase of over 10 per cent. But the 11 1/2 per cent increase in the index to 401.6 was substantially the biggest over the past week, and remarkable for the very sharp movements shown in dealings late in the day.

Remarkable

At 3 o'clock, the index was up only 4 points.

The rise in equity prices, which

has lifted the index by 16.8 points in the past week, has been largely led, however, by the great strength of the gilt-edged market. This has been reflected in the exhaustion during the past week of two "tap" stocks, used by the Bank of England to control the market and to ensure a continuing supply of finance to fund the Government deficit.

The heavy demand for gilt-edged stocks comes against the background of falling interest rates in the U.K. and the U.S. Yesterday, First National City Bank of New York and a number of other leading U.S. banks announced cuts in their prime lending rates from 7 1/2 per cent, following Chase Manhattan on the previous day, and it is expected that there could be further falls.

With the pound holding up well in foreign exchange markets—yesterday it lost 40 points against the dollar at \$2.0305 but held at an average depreciation of 30 per cent—and with London now showing an exceptionally large advantage in interest rate terms over New York, it is felt that there is room for further cuts in London interest rates.

At the same time, the gilt-edged market has also been encouraged by the growing conviction that the Government's counter-inflation policy is making a real impact, and if the

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Confidence

But at the same time the New York Fed's figures underline the significant weakness still plaguing the U.S. economy—the absence of consumer confidence. Business loans at the chief New York City banks fell by \$77m. in the week ending last Wednesday. Though this helps explain the fall in interest rates, it also illustrates the continuing lack of demand for credit, particularly in the short term.

While it is noted that the statistical base for its compilation on business loans had been changed to reflect alterations in the New York state banking laws, and were thus open to some question, the New York Fed estimated that business loans for the year as a whole had dropped by \$8bn. to \$37.46bn.

The other important economic statistic announced to-day showed that the unemployment rate remained unchanged at 8.3 per cent—equivalent to 7.8m. out of work, seasonally adjusted.

There has been no appreciable movement in the jobless figures for the last six months. The last time that a full year produced a rate in excess of 8 per cent, as was the case with the 8.5 per cent, average in 1975, was in 1941.

Meanwhile, the Commerce Department reported today that retail sales in December were up 3 per cent, on November and 15 per cent, above the corresponding month in 1974.

These figures suggest there was a last-minute surge of Christmas spending, but stores are still not very optimistic about spending this year. They are well aware that December's improvement was from a very low level the year before.

Prime rates

This means that for the full year, undistorted wholesale prices, which, in due course, are passed on to the consumer, rose by only 4.2 per cent, a sharp improvement on the 20.9 per cent jump recorded in 1974.

Also this morning, First National City Bank, and later in the day Bank of America and several other large banks, cut their prime lending rate to 7 per cent. Following the pattern set earlier this week by Cleveland Trust and Chase Manhattan, The Citicorp formula, tied to a moving average of commercial paper rates, could conceivably have resulted in a 6 1/2 per cent prime but the bank prefers to make its changes in 1 per cent moves.

The decline in interest rates reflects the Federal Reserve's monetary policy. The New York Fed disclosed last night that in the last week of 1975 the money supply (M1) had risen by \$2bn. to \$297.1bn. and it is now widely believed on Wall Street that the Fed has dropped its intervention rate of Federal funds (overnight money) to below 5 per cent, against the 5 1/2 per cent, prevalent throughout December.

In New York this morning, Federal funds were being quoted as low as 4 1/2 per cent, in what was described as an "excited" market.

Rush for equities as gilts end hectic week

BY MICHAEL BLANDEN

Remarkable

At 3 o'clock, the index was up only 4 points.

The rise in equity prices, which

Burmah likely to keep stake in North Sea development

BY RAY DAFTER, ENERGY CORRESPONDENT

THE GOVERNMENT is negotiating a deal with the Burmah oil group in which the company will probably receive a substantial sum for its assets in the North Sea Ninian Field, but retain its stake in Thistle and other concessions.

Mr. Anthony Wedgwood Benn, the Energy Secretary, is expected to make a statement in the Commons on Monday on the progress of negotiations. But it appears that Burmah has persuaded both the Government and the British National Oil Corporation that it is vital to its future business to retain a major North Sea presence.

According to some in the industry, Burmah has asked for a sum as high as £120m. for its Ninian assets, a marked difference from the £50m. to £70m. net valuation quoted by a leading energy analyst yesterday. Indeed, when the Government announced last month that it was willing to buy the whole or part of Burmah's North Sea assets, the company's stake in both Ninian and Thistle, produced reckoned by the same broker to be worth £130m. However, the Ninian price probably reflects the investment made by Burmah in the field's development so far—approaching £40m.

However, in negotiations which are believed to be at a delicate but crucial stage, Burmah has been justifying its claim that its Ninian interests, reckoned to be 23.3 per cent, of reserves, are the worth the higher figure.

Operational staff say that lower estimates are based on a recoverability factor of around 30 per cent, of total reserves, whereas early experience in the North Sea suggests a rate nearer 40 to 45 per cent.

The amount of recoverable reserves is disputed by a number of companies involved in the Ninian venture. Estimates range from 800m. to 950m. barrels, quoted by British Petroleum, 1.2bn., stated by the field's operator, Chevron.

Latest cost estimates suggest that the partners will have to invest a total of £12bn. to develop and operate the production system, capable of producing up to 310,000 barrels a day.

As part of the deal with the Government, Burmah will also negotiate 51 per cent. State participation, through BNOC, in its Thistle concession, although it is unlikely that the Ninian and Thistle agreements will coincide. It is likely that another oil company may agree participation terms before Burmah.

From Burmah's point of view, the retention of its Thistle stake is crucial. For a start, the field, in which it has a 16 per cent, stake, is due on stream next year, yielding much-needed revenue, whereas production from Ninian is not expected to start until 1978 at the earliest.

Second, much of Thistle's development costs has already been spent; third, Burmah is the operator of the field, which must add to its expertise for future developments.

When the Government announced on December 3 that it was willing to buy the whole or part of Burmah's North Sea assets, as part of a new support package for the company, Mr. Benn stated that negotiations

Thornett loses regional seat

MR. ALAN THORNETT, the Trotskyist whom British Leyland says it will not accept as its Glasgow plant as a deputy senior shop steward for the TGWU, has been voted off the union's Midlands and region committee. His seat, which was due to go to a political moderate, Mr. Jack Adams, was taken by Mr. Adams.

ASTMS is hoping to set up a multi-national alliance of trade unions at Chrysler plants in Europe and the U.S. ASTMS officials go to Detroit at the end of the month to co-ordinate union policy.

COMPANIES

ARMITAGE SHANKS is raising £2.1m. by a one-for-four rights issue at 54p a share.

JOHN WADDINGTON, pre-arranged to be bought by a consortium of £1.5m. in the 25 weeks to last October 12.

PRICE CHANGES YESTERDAY

Imperial Group 58 + 5

Love & Brydone 53 + 5

Lykes (S.) 53 + 5

MPC 40 + 5

Nelody Mills 40 + 5

Phoenix Assurance 218 + 6

Plessey 79 + 5

Rank Org. A 174 + 9

Scottish & Newcastle 270 + 5

Tate & Lyle 270 + 5

Unimark 51 + 7

Weston Pharm 421 + 3

Zenith Carb. A 42 + 4

Shell Transport 404 + 14

De Beers Dfd. 318 + 5

RTZ 203 + 5

FALLS

Speedwell Gear 8 - 3

Hammerley 100 - 20

Loraine 188 - 12

Peko-Wallend 430 - 15

Talks on steel cuts deadlocked

BY LORELIES OLSLAGER, LABOUR STAFF

THE BRITISH Steel Corporation and its trade unions were deadlocked last night over the Corporation's £170m. labour costs savings programme, with a strong possibility of widespread industrial clashes next week if no agreement is reached.

To most unions any possible agreement would have to be approved by the executive. If they find the outcome of the talks unsatisfactory, official strike action is probable.

A breakdown in the talks in the early evening was only avoided by the personal intervention of Sir Monty Finniston, the BSC chairman, who had a 45-minute meeting with the chief union negotiators to tell them that the corporation completely rejected the union's argument.

Sir Monty told Mr. Bill Sims, the general secretary of the main union in the industry, the Iron and Steel Trades Confederation, who is also chairman of the TUC Steel Committee, and had requested the meeting that as economy measures to be worked out and agreed through the

established consultation and negotiating machinery.

If there is no agreement by tomorrow the BSC has threatened that it will continue implementing its controversial economy package announced to the unions last week.

Even if the unions at a national level do not call for industrial action in protest, shop floor militancy is expected to erupt.

Some 1,000 workers at the giant Port Talbot plant in South Wales, who have been on strike all week in protest at the economy plan, will meet this morning to consider whether to stay out or resume work in the light of the outcome of the top level talks.

The BSC has said that another 8,000 workers at the plant will be laid off from this afternoon if the strikers do not agree to return to work.

The unions are arguing that the BSC would thus be breaking a national agreement and if the corporation goes ahead a very serious confrontation seems almost certain.

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Available income £.....

Gross UK income £.....

Day Tel:.....

Age.....

Max. Tax Rate.....

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For latest Share Index phone 01 246 8026

ork
galore

Your savings and investments Portfolio men Sector shifts in the U.S.

Loans v. gilts

BY TERRY WILKINSON

BY TERRY GARRETT

RISTOPHER HILL

the most frequently investor's funds and the problems in investment are how to cater to the man (or person) who wants to be plunged into the anonymous fund trust share commissions with stock-merchandise bank or the clearing banks and the ckbrowsers say that they r for his needs, but the past decade, there n a proliferation of investment counsellors, s who try to offer an ve, more individual, for the man with per-000 upwards. We have ed on these firms in and surveys descri- services have appear- specialist magazines. the big problem has een to separate those o a sound and honest posed to the reverse protect the investor he unscrupulous. Most firms are not in any usehold names and, in ce of D.O.T. or trustee n, there is nothing to yone setting up as a portfolio manager. was interesting to hear k that on Thursday of a committee proposing up an Association of ent Investment Mana- his comprised repre- s of 9 firms including: (John Ormond); rington and Co.; Weller, N. Bentley; s; Investment Research; rbridge charist firm); Advisers: Wright r; and Security Sele- n; this is only a pro- mittee and John n (an ex-Times finan- alist) emphasises that e currently about 20 firms interested with r of others in the bush. ly no firm conclusions t been reached, about up a code of conduct, arently the meeting n an optimistic note feeling that the Asso- was definitely on the her than a dead duck. aim of the independ- nagers is to achieve n as a profession they nly concerned with ction of clients against Synergistic International which particular reference cked out Target Financial g ethics. Two of the S and P, Ebor High Return and ual arrows aimed at the investment managers the lack of any regula- through two bull and two bear ut who should hold the

New fund

WHILE FIDELITY Manage- ment and Research may not have had much luck when it made a quiet start with the Fidelity American Assets fund, a year ago (only \$1m worth of "brave souls" stepped forward) it hopes to do better, this year, with a pro- pectus offer of the fund lead in London by stockbrokers Rowe and Pitman. This is an offshore fund based in Curacao and is bound to attract institutional interest rather than individual. So far it has just about kept pace with the Standard and Poors index (without any bene- fit from the investment currency premium, of course) and has a conservative policy of buying stocks which are priced at or below the book value of assets; and are capable of producing rising earnings. These might get in short supply if Wall Street continues on its current flight path, but Fidelity reckons that the overall trend will be "sluggish." Fidelity, by the way, is no relation of ill-fated Fidelity Life and manages \$4bn. of funds from Boston, Mass.

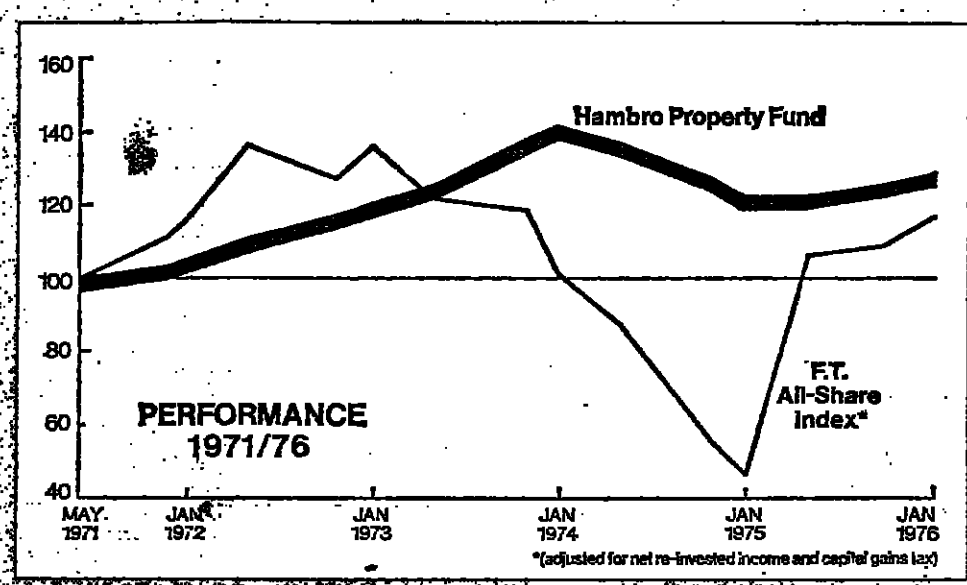
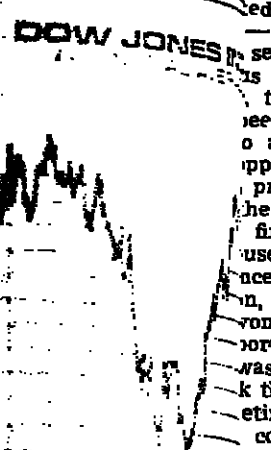
League tables

WHEN I produced unit trust league tables two weeks before the year-end I assumed that was definitely on the her than a dead duck. aim of the independ- nagers is to achieve n as a profession they nly concerned with ction of clients against Synergistic International which particular reference cked out Target Financial g ethics. Two of the S and P, Ebor High Return and ual arrows aimed at the investment managers the lack of any regula- through two bull and two bear ut who should hold the

THE LEAD expected from Wall Street for World Stock markets in 1976 seemed to be duly this period were textiles and food manufacturers while the Dow Jones Index passed worst performance came from through the 900 mark for the engineering sectors, oils and first time in two years. A real estate. The U.K. investor, whose principal influence, already reflected in recent bond market strength, has been the Federal Reserve's monetary policy. 1974 to be some \$9.1bn. has a number of options open to him. The main stumbling block for the individual is a lack of familiarity with exchange regulations and information. Investment trusts have an average asset exposure to the U.S. of about a third but while they are a way round the complications of direct investment, the vagaries of asset discounts in an at times professional market form an unwelcome barrier. Of the unit trusts a dozen, of which Gartmore American Funds is the latest addition to the stable, are specialist investors in the U.S. Investment policies vary in terms of stocks and sectors and the leading performances by Stewart American and M&G American this year owes something to a 20 per cent rise in volume sales for 1976 and indeed, in the last half of 1975, the automotive sector registered a gain of a

no clear signs of sector leader- ship in the market, which would normally offer scope for rotating portfolios, and at least one school of thought plumps for purely individual share selection in low multiple, high yielding basic industries. How- ever, investment strategy tends to be bound in with the techni- cal financing of a portfolio. For example, if the bulk of a port- folio is financed directly through the dollar premium market, the "tax" on switching of between 10-12 per cent, tends to promote a longer term view. As this might preclude the cyclical "basic" industries, popular areas are oil servicing com- panies like Schlumberger, Hughes Tool and Halliburton (though not drilling outfits in the view of falling demand outside the U.S.), retail companies, food and specialty chemicals. Loan financing, if matched, leaves more room for manoeuvre and proponents would argue that with the premium at its current level of 65 per cent, nearly two-thirds of an investment is in the hands of an extremely volatile investment currency market. On the other hand, a fall in security prices ca. being very expensive in terms of top- ping up a loan and the gearing effects of a mismatched loan left many scars in 1973-74. One undying feature of U.K. institutional investment in the U.S. is the interest in regional "specialist" stocks. Although offering a potentially high return, problems have arisen in the past with stocks which were largely sponsored "in- house" and where the local broker concerned was unable to make a market when it came to selling. The idea now is to look for a well-sponsored stock, with support from major finan- cial centres. Nineteen-seventy-six is, of course, the year of bicentennial celebrations and a Presidential election. As a light-hearted yardstick to market perform- ance, Barron's magazine recently revealed that in the ten Presidential campaign years when the incumbent was ousted, the market showed an average decline of 4.4 per cent. In the 14 years in which the ruling party retained the Presi- dency, the market rose by an average 15 per cent. Less encouragingly, in the last centennial year the market fell by 18 per cent, but on the other hand two sectors which out- performed strongly in the closing stages of 1975 were air- lines and lodgings and res- taurants, widely touted "bi- centennial beneficiaries."

WHILE ATTENTION has been itself of constricting borrowing focused on the buoyant equity limits. The rise in market activity led to a considerable erosion of the yield differential enjoyed by specialised field of debentures and loans which have presented equally exciting opportunities. This had shot up from a low point of 55p per cent. to £1.90 per cent. in 1974 as the equity market collapsed. By January 1975 the differential had reached £2, but as confidence crept back the figure drifted downwards so that by last summer it was in the region of £1—still reasonably high. However, since then the yield advantage has narrowed much further to between 40p and 50p—though of course the rating has been untested by a new issue. But though these figures from Gilbert Elliott take account of stamp duty, a buyer of commercial stocks leaves himself open to a capital gains tax liability. Meantime the pressures may be easing on companies to reduce their gearing, but even so some early redemptions can still be looked for. Only this week Francis Industries announced its intention to do just that. So while the yield advantages may be slim, there are still some chances for a capital pro- fit, especially among the smaller issues, where sinking funds are at an advanced stage. Another reason that com- panies are tending to re- purchase loan stocks before they are due is not to reduce the gearing, but ultimately to increase it. For by cancelling a loan stock a company can rid



First-remember the investment background Next-study the Hambro record. Then-consider the future prospects...

Right to lend

ERIC SHORT

SED for drastic legisla- tion to control the operations in the life insurance industry, the life insurance industry has been an area in which the slick operator could well find himself to the it of the consumer. But iving Consumer Credit produced a complex set of tight regulations which ing certain side effects life policyholders. ers have always had as matic policy condition t of taking out a loan ecurity of the surrender their policies. Further uld be taken out as the r value increased and nt did not need to be until the eventual of the policy and e deducted from the s. Almost all companies pared to lend up to 85 nt of the surrender

Paying by Giro

POTENTIAL INVESTORS of life assurance contracts have in the past found it extremely difficult and complicated to pay their premiums if they did not possess a bank account. It meant that they had to contact a representative of the company or broker and hand over the cash directly or else go to the trouble and expense of getting money orders for the amount and remitting by post. It is primarily for this reason that the home insurance industry continues to flourish with the company agent calling regularly to collect the premium, despite the fact that the returns from these companies usually appear well down the scale of most performance tables.

Now the City of Westminster Assurance has introduced a system whereby investors can pay their premiums direct to a bank, whether or not they possess a bank account. The system is that the investor is provided with a book of bank giro credit slips. He simply fills in the slip and hands this over together with the money at any branch of any bank. The counterfoil is stamped by the bank and this represents the receipt for the premium paid.

This scheme has two advan- tages. It makes payment of pre- mium comparatively simple and it reduces the cost of collection by the life com- pany. But, of course, the investor must remember to make each monthly payment when it becomes due, with the City of Westminster it is the 15th of each month. The company will inform investors promptly should they miss a monthly payment so that they do not fall behind. Other life companies could well follow this scheme.

If you are trying to decide on the best place to invest a lump sum you'll probably be looking for two things. You will want an investment that can provide strength and stability in difficult times and yet you will also want an investment that offers real potential for long-term growth.

We believe that at present you are unlikely to find a better combination of these two qualities than in Hambro Property Bonds.

Strength in Adversity

The last two years have been difficult for all forms of asset-backed investment. The Stock Market crashed in 1974 and has since barely recovered to the level of 1971. Property values also fell, and many property companies ran into problems.

The graph above shows the performance of the Hambro Property Fund to date. It shows the strong growth in the Property Bond price up to the beginning of 1974. It also shows clearly how well the Property Bond came through the economic crisis of 1974 compared with the very sharp fall in share prices at the time. You will see that the Bond shows an overall appreciation of 29% since the launch in 1971.

Future Prospects

Over the long-term carefully selected business property has proved to be the nearest thing to an ideal hedge against inflation. For, as the cost of living has increased, rents payable for offices, shops and factories

have tended to rise as well, which by and large has led to increasing property values.

At present, although the country still faces economic problems and property letting remains difficult, a firmer trend has developed in the property market as Pension Funds and Insurance Companies are once again actively seeking good quality investment property. These institutions believe that property of this type currently offers a very sound investment for a number of reasons.

First, following the fall in property prices from the peak levels of 1973, sound commercial property is now attractively priced. The yields and values compare favourably with other types of investment.

You can draw a tax-free 5% p.a.

Under the Cash Withdrawal Plan you can choose to draw 5% per annum of the amount you originally invested, in place of an income. Each year sufficient of your units will automatically be cashed in to provide this sum which will be free of all taxes at the time of withdrawal even for higher rate taxpayers (see note 2 below).

Your Bond will then be made up of fewer units, but provided the unit price increases at more than 5% per annum (net income plus capital growth) your Bond will still increase in value. You should remember however that the price of units may at times grow by less than 5% or even go down in which event the value of your Bond would fall.

Secondly, the Government has now pronounced its belief that a sound property market is essential to a stable investment climate and has ended the rent freeze.

And thirdly, very few new property development projects are now on the stocks. This could mean a shortage of property when, over the medium-term, renewed economic activity increases demand for well located offices, shops and factories.

Investing in the Bonds

While you should always remember that the price of property fund units can fall as well as rise, the Hambro Property Fund, with its wide spread of high quality business property, is well placed to take advantage of any improvements in the property market.

To invest in the Fund at the current offered price of 129.1p per unit you simply need to send the application form below together with your cheque to reach us not later than Thursday, January 15th. Thereafter units will be issued at the price ruling on receipt of your application.

To Hambro Life Assurance Limited
Administration (Dept B), Hambro Life House,
Swindon SN1 1EL. Enquiries: 01-499 0031

I wish to invest (minimum £1,000) in Hambro Property Bonds and enclose a cheque for this amount payable to Hambro Bank Limited.

Sumname: Mr./Mrs./Ms.

Full first name

Address

Occupation Date of birth

Do you already hold any Hambro Life policy?

Are you now, and have you always been, in good health?

If not, please give or attach details.

Tick here if you wish to draw 5% p.a. in cash ☐

(If you leave the box blank, the income and capital will be accumulated in the Fund for you. You can at any later date draw a cash of 5% p.a. on the accumulated amount simply by writing to the company.)

Signature

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Hambro Property Bonds

1. **Investment Life Assurance.** Hambro Property Bonds have built-in life assurance cover. The death benefit is a multiple of the cash-in value of your Bonds depending on your age at death. (See example below.)

2. **Tax position.** Income received by the Fund is subject to tax as the life assurance company uses. It is not taxed as your income for tax purposes, so that you pay no income tax on it nor are you personally liable to make any income tax or any amount paid to you.

3. **How you can withdraw the value of your Bonds?** The Fund is split into Accumulation Units, which are valued twice monthly. The resulting dividend and bid prices are published in the Daily Telegraph, Financial Times and other leading national newspapers. Unit holders of the Property Fund are entitled to the benefits of the Royal Institution of

4. **What are Hambro Life's charges?** The initial charge of Units in the Fund is 10% of the value of the Units. Thereafter, the charge is 1% of the value of the Units. The cost of managing and valuing the property is borne out of the Fund, and will not exceed the charges contained in the prospectus. The charge is applied to the value of the Units.

5. **What are the benefits?** The death benefit is payable to your estate or to your nominee. The benefit is payable in cash or by instalments. The benefit is payable in cash or by instalments. The benefit is payable in cash or by instalments.

Travel

A tale of tees and tans

BY BEN WRIGHT

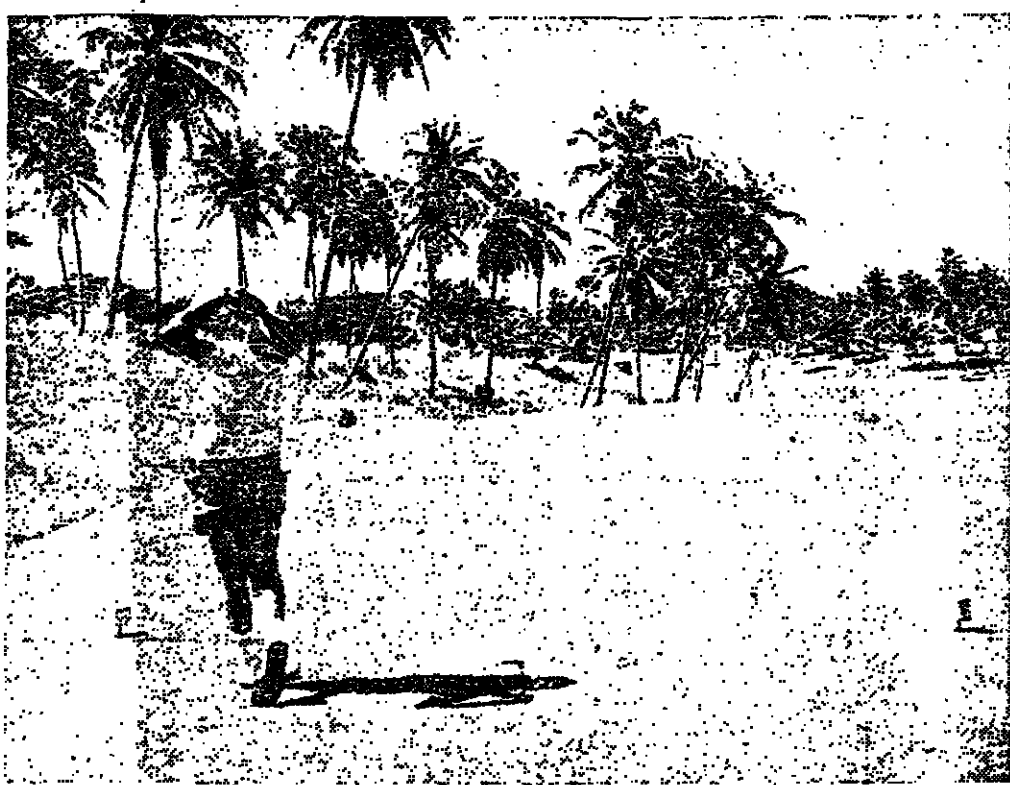
AS THOSE short, soft and largely grey days turn most British golf courses to the consistency of plum pudding, and the more than occasional cold snap causes committee members prematurely to switch to temporary greens, it is hardly surprising that more and more club golfers are going abroad in search of winter sunshine.

Travel agencies and tour operators are ever eager to cater for all their needs. Whether you want merely to golf for fun in shirt-sleeves, instead of the restrictive three sweaters or ghastly waterproofs, or polish your game to a pitch of early perfection in the company of top-ranking professionals, there is plenty on offer to suit every requirement and pocket.

For the past two years I have been fortunate enough to fly out in January for two weeks at Mount Irvine Bay Hotel, and play at Tobago Golf Club, a really fine John Harris course (the 13th par 5 is pictured). Obviously such an expedition does not fit exactly into the bargain-basement category, but the inclusive price of a 14-days golfing holiday there at £330 is nearly £100 less than the scheduled return air-fare. There is no winter golfing resort in the world I have enjoyed more than this Trinidad's quieter sister island, and the first tee is but two minutes' walk from the hotel.

Tiny Bermuda is another marvellous island for golfers, even if the weather is too often not quite all the travel brochures make it out to be. To play Royal Mid-Ocean is one of the great experiences, and the Port Royal course, built by Robert Trent Jones and opened in 1970, is an excellent test, with the added advantage of spectacular views. Castle Harbour is the island's fun course, but a motorised buggy is a must there for the less athletic.

Your week-end in Austria 36 75, Belgium 40.5, France 8.2, Italy 1.8, Spain 1.19, Switzerland 2.22, U.S. 2.825. Source: Thomas Cook.



When I last played in the Bahamas, the locals were doing their worst to kill off the tourist industry with scarcely-veiled hostility. But not far from Nassau lie Lucayan and Shannon Golf Clubs on Grand Bahama, and Great Harbour Cay in the Berry Islands, which boasts five impressive ocean-side holes.

If the inland island courses in the area, Treasure Cay on Abaco Island, designed by the late Dick Wilson, is a fine test of golf, with its virtually impenetrable scrub-lined fairways.

Nearer home, in the Mediterranean, the Trent Jones creation, Pevero Golf Club on Sardinia's Costa Smeralda, is high on the lists of golfing excellence, and superior to most in terms of views and the quality of the local hotels. It is far from cheap but one of the best sunshine courses within easy reach of London.

In my view, Spain is Portugal's poor relation in terms of holiday golf, since the latter's Algarve coast is still so unspoiled by comparison. But if Marbella on Spain's Costa del Sol is your scene, Los Monteros is arguably the best golfing resort hotel, and the two Trent Jones courses at Sotogrande, close to Gibraltar, now presided over by Henry Cotton, are the best in the area.

If you want to get away from it all, and really concentrate on your golf, La Manga on the Costa Blanca is the place for you, while no praise is too high for either club or course at El Prat de Llobregat, on the outskirts of busy Barcelona.

Quinta do Lago at Almancil, on the Algarve, has three loops of nine beautiful holes, designed by the late William F. Mitchell from Florida, which are little short of perfect. What is more, they have been almost deserted since Portugal's political strife abruptly cut short the development of what may still become the finest low density resort complex in Europe. In terms of pure golf, Quinta is superior to nearby Vale do Lobo, Vilamoura, and not too far distant Pina, with its fine hotel, but the welcome you receive from British managers David Vansittart at Vale do Lobo and David Green at Vilamoura restores the balance.

Greek golf is still a closed book to me, but I have heard glowing comments on the Glyfada Club near Athens, and Corfu Golf Club. There are also good reports of Is Molas in Cagliari, Sardinia. I have however, confined my recommendations to those courses I have enjoyed most in winter sunshine—and that valuable commodity is unrationed at all of them.

Picture a holiday

ASK SOMEONE from any of Britain's tourist Boards why they selected the cover they did for their current promotional brochure and the answer is likely to be little more than a wince and a sigh. Not that they—the cover pictures that is—are a bad lot. It's just that the politicking that goes on behind the scenes in order to get this part of the country or another on to the front page is a delight to any student of Machiavellian techniques.

So, if you happen to be wondering why England should have settled on a pretty but untraceable shot of a couple enjoying an afternoon on a lake, it is largely because hoteliers of York would get very cross if the beaches of Eastbourne got too much prominence, and Margaret does not like too many pictures of Blackpool on the front cover. The Welsh take another way out, with a patchwork of geographically scattered snaps. Only the Scots take the plunge and actually identify the location where their kilted cover girl was photographed.

Time was when glossy covers and pretty brochures were confined to foreign destinations. More recently, however, British tourism has been reorganised

Gardening

Searching for the special

BY A. G. L. HELLIER

UNTIL ABOUT a hundred years ago most nursery gardens traded in a wide range of plants. Specialist nurseries appeared partly as a result of the proliferation of man-made plants of hybrid origin, with their built-in potentiality for producing an endless number of new varieties, and partly to cope with the great influx of new species, many of which could only have a limited appeal. The first need produced nurseries specialising in chrysanthemums, dahlias, delphiniums, gladioli, roses, carnations, begonias and many other plants; the second gave rise to alpine nurseries, tree and shrub specialists, aquatic nurseries and so on.

Many of them exhibited the numerous flower shows, specialists in general, which grew in number and importance as the trade in these plants in

creased, advertised in the specialist publications as well as in the general press, and they all produced catalogues, many of which were as highly valued by gardeners as the best books.

In recent years, with the rapid swing from mail order to cash and carry buying, these specialist nurseries have come under greater pressure than others. Some have been able to change from a mainly retail to a largely wholesale trade, supplying the garden centres and the various stores which sell plants, but as a rule these are only interested in a small number of varieties which are already popular or can easily be publicised. Most of the specialist nurseries really made their money from sales of relatively small quantities of a very large number of varieties or species, as the case might be. Many of them were breeders or introducers as well as propagators and salesmen, and higher prices could be charged for the latest varieties just because of their novelty value.

Now all this is changing. Even the rose producers who appeared to be in the least vulnerable position are finding the going hard and are taking steps to curtail their lists and limit the number of new varieties. This may not be altogether a bad thing if the result is that only the very best seedlings do get on to the market, but since flower breeding is still largely a hit and miss affair, relying more on flair than on science, it is probable that a diminution in the number of seedlings raised will also result in a slowing down in the rate of appearance of really worthwhile newcomers.

But there is another, and perhaps more serious threat for the specialist nurseries that is not so immediately obvious. As flower shows decrease in number and profitability and both advertising and catalogue production become increasingly expensive, it is becoming ever more difficult for specialist nurseries to keep in touch with potential buyers. Even with the special advantages I enjoy as a journalist and receive many catalogues without specially asking for them, I find it extremely difficult to trace sources of supply for some new

or scarce plants, and I am firmly convinced that a good many of the new generation of gardeners barely know of the existence of specialist nurseries and have little or no idea how to get in touch with them.

So I welcome what seems to me an excellent idea just launched by one of the oldest and most respected of these firms, Messrs. Blackmore and Langdon, for many years based in Bath, but now moved to a new nursery at Penford, near Bristol. Blackmore and Langdon were, of course, intimately involved in the development of the man-made races of tuberous-rooted begonia, perfect examples of plants that simply do not and could not exist in



Begonia

the wild and are totally dependent on man for their survival. The same is true of the delphiniums, which are another Blackmore and Langdon speciality, and to a slightly lesser degree of the perennial phloxes, greenhouse cyclamens, and giant polyanthus which the firm grows so superbly.

Sensing the need to keep specialist nurseries such as theirs in touch with interested gardeners Blackmore and Langdon are sending out a 1976 catalogue which contains not only their own specialities but those of a number of other firms as well. Each has been selected for its known excellence and reliability: Aylett for dahlias, Treasures for clematis, Neville for orchids, Sanday for roses, Ken Muir for strawberries and so on. The catalogue will go to all Blackmore and Langdon customers and the firm will act

as a kind of clearing house for orders, but only actually despatching its own specialities. Other items will be passed on to the appropriate specialist who will be personally responsible for supplying the plants.

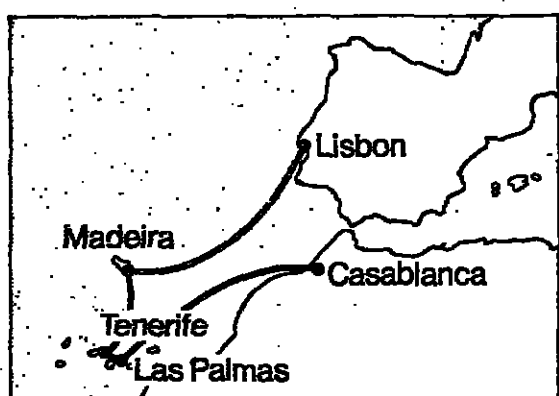
Clearly this is only a small experiment which is not in itself going to make very much difference to what is rapidly becoming a big problem. But Dr. Brian Langdon, whose brainchild it is, tells me that if it is successful he will try to extend it in future years to include more firms and consequently a greater range of specialities. I suspect that if the idea catches on he will also find that he soon has some imitators.

No doubt many householders who bought plants for Christmas decoration are just about now beginning to have trouble with some of them. Leaves will be turning yellow, flowers or fruits dropping off or the whole plant simply acquiring a rather dejected look. It may be due to too much or too little watering but just as likely it is the inevitable result of too great a change of environment.

Pot plants for market are reared in large modern greenhouses with every advantage of good lighting, controlled heating and ventilation and, perhaps the most sensitive point of all in this context, controlled humidity. In any such greenhouse, there are hundreds, maybe thousands, of other plants giving off moisture from their leaves and in addition moisture is rising from damp floors and stagings.

The air in a living room is far drier and if it is heated by an open fire or a gas stove there may be occasional puffs of smoke or fumes as an added complication. The only remedy is to get the plants back as quickly as possible into something more closely resembling the conditions in which they were reared—a greenhouse for preference—but failing that, a light place in which the temperature can be kept fairly even (13 to 18°C is usually about right) and above all comfortably moist. A verandah or one of the popular glazed house extensions can be a far happier place than a living room and even a bathroom has more advantages.

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Chess

IT TAKES a strong grandmaster or master to discern when the right way to treat a position is to throw overboard all the sound textbook principles about developing the bishops and knights—quickly, occupying the centre with pawns, and not bringing the queen into action too early.

There is a famous win of Alekhine's against Rubinstein where most of the early play is by Alekhine's queen's bishop and king's rook's pawn, but at the end of this little overture Rubinstein's king's side defences are full of holes.

The game in question (Alekhine-Rubinstein, Hague 1921) opened 1 P-Q4, P-Q4; 2 N-KB3, P-K3; 3 P-K3, P-K3; 4 P-B3, N-QB3; 5 B-B4, N-KB3; 6 N-B3, N-N3; 7 B-K3, P-N3; 8 P-P3, P-P3; 9 P-KR4, B-Q3; 10 P-R5, N-KR2; 11 P-R5, P-N3; 12 B-N5, O-O; 13 B-B3 and Alekhine's obvious advantage in space and control of the dark squares led to a win.

The game was widely quoted at the time as an example of the then fashionable hypermodern play; but Alekhine himself pointed out that Black's P-Q3 was slow while his N-K2-N3 set up the knight as a target for the white SRP. Nowadays the reaction of P-KR4-5-6 to exploit such a badly placed knight has become routine.

Hort's play as Black in this week's game is a little reminiscent of the Alekhine game except that this time the striking force is not B and KR-P but Q and two NPs. And the reason why it works so well is that White's own opening idea 2 B-N6 leads him to make four bishop moves in the first eight and is clearly artificial.

In previous games, players had defended by more routine methods against 2 B-N6 which was enjoying quite a vogue (see, for instance, the Vahian-Botterill game given here on January 18 last year), but Hort's powerful strategy has made such an impression that the opening has virtually disappeared from master chess.

White: O. Rodriguez (Peru). Black: V. Hort (Czechoslovakia). Leningrad Opening (Las Palmas 1975).

The opening moves were 1 P-Q4, N-KB3; 2 B-N6, P-B4; 3 P-K3, P-K3; 4 P-B3, P-K3; 5 B-B4, N-KB3; 6 N-B3, N-N3; 7 B-K3, P-N3; 8 P-P3, P-P3; 9 P-KR4, B-Q3; 10 P-R5, N-KR2; 11 P-R5, P-N3; 12 B-N5, O-O; 13 B-B3 and Alekhine's obvious advantage in space and control of the dark squares led to a win.

White's only playable system is 4 P-B4, Q-N3; 5 B-B1(1). White's pieces are then back in their starting blocks but Black's knight will be chased away by P-K3 and his queen has to lose time.

4 Q-N3; 5 Q-B1, P-N4; 6 B-N3, B-N2; 7 P-QB3, Q-KB3. The key move in Black's refutation; he now threatens to ruin White's pawn structure by NxB when the pin forces White to recapture with the BP, doubling the pawns (and more important) opening the gaps on the dark squares at White's K3 and KB2.

White avoids the doubled pawns, but the result is to give Hort the chance for a rapid advance on the queen's side.

10 Q-N3, R-B3; 11 Q-N2, N-N3; 12 Q-N3, P-N4; 13 N-E3, P-QN3; 14 N-B1, P-P3; 15 P-P3, Q-QR3; 16 R-B1, Q-R6.

The roving tour of Black's queen is most impressive. The obvious threat is R-N7.

15 P-K4, R-N8! Now stronger than 15 R-N7; 16 Q-Q3. White cannot take the rook because of BxP.

16 K-Q1, BxP; 17 Q-B2, R-R ch; 18 Q-R, Q-N5; 19 B-Q3, R-N1; 20 N-B3, R-P3; 21 R-N1, Q-R5 ch! Black plans the elegant finish 22 B-R4, B-Q3; 23 N-R3, P-Q3; 24 N-K1, Q-N5 mate, which White can only avoid by going into a lost endgame.

22 Q-B2, Q-Q ch; 23 K-Q, R-R; 24 N-R, B-Q3; 25 N-R3, P-Q3; 26 B-B1, P-KR3; 27 Resigns.

17 B-R4, B-Q3; 18 B-R4, B-Q3; 19 B-R4, B-Q3; 20 B-R4, B-Q3; 21 B-R4, B-Q3; 22 B-R4, B-Q3; 23 B-R4, B-Q3; 24 B-R4, B-Q3; 25 B-R4, B-Q3; 26 B-R4, B-Q3; 27 B-R4, B-Q3; 28 B-R4, B-Q3; 29 B-R4, B-Q3; 30 B-R4, B-Q3; 31 B-R4, B-Q3; 32 B-R4, B-Q3; 33 B-R4, B-Q3; 34 B-R4, B-Q3; 35 B-R4, B-Q3; 36 B-R4, B-Q3; 37 B-R4, B-Q3; 38 B-R4, B-Q3; 39 B-R4, B-Q3; 40 B-R4, B-Q3; 41 B-R4, B-Q3; 42 B-R4, B-Q3; 43 B-R4, B-Q3; 44 B-R4, B-Q3; 45 B-R4, B-Q3; 46 B-R4, B-Q3; 47 B-R4, B-Q3; 48 B-R4, B-Q3; 49 B-R4, B-Q3; 50 B-R4, B-Q3; 51 B-R4, B-Q3; 52 B-R4, B-Q3; 53 B-R4, B-Q3; 54 B-R4, B-Q3; 55 B-R4, B-Q3; 56 B-R4, B-Q3; 57 B-R4, B-Q3; 58 B-R4, B-Q3; 59 B-R4, B-Q3; 60 B-R4, B-Q3; 61 B-R4, B-Q3; 62 B-R4, B-Q3; 63 B-R4, B-Q3; 64 B-R4, B-Q3; 65 B-R4, B-Q3; 66 B-R4, B-Q3; 67 B-R4, B-Q3; 68 B-R4, B-Q3; 69 B-R4, B-Q3; 70 B-R4, B-Q3; 71 B-R4, B-Q3; 72 B-R4, B-Q3; 73 B-R4, B-Q3; 74 B-R4, B-Q3; 75 B-R4, B-Q3; 76 B-R4, B-Q3; 77 B-R4, B-Q3; 78 B-R4, B-Q3; 79 B-R4, B-Q3; 80 B-R4, B-Q3; 81 B-R4, B-Q3; 82 B-R4, B-Q3; 83 B-R4, B-Q3; 84 B-R4, B-Q3; 85 B-R4, B-Q3; 86 B-R4, B-Q3; 87 B-R4, B-Q3; 88 B-R4, B-Q3; 89 B-R4, B-Q3; 90 B-R4, B-Q3; 91 B-R4, B-Q3; 92 B-R4, B-Q3; 93 B-R4, B-Q3; 94 B-R4, B-Q3; 95 B-R4, B-Q3; 96 B-R4, B-Q3; 97 B-R4, B-Q3; 98 B-R4, B-Q3; 99 B-R4, B-Q3; 100 B-R4, B-Q3; 101 B-R4, B-Q3; 102 B-R4, B-Q3; 103 B-R4, B-Q3; 104 B-R4, B-Q3; 105 B-R4, B-Q3; 106 B-R4, B-Q3; 107 B-R4, B-Q3; 108 B-R4, B-Q3; 109 B-R4, B-Q3; 110 B-R4, B-Q3; 111 B-R4, B-Q3; 112 B-R4, B-Q3; 113 B-R4, B-Q3; 114 B-R4, B-Q3; 115 B-R4, B-Q3; 116 B-R4, B-Q3; 117 B-R4, B-Q3; 118 B-R4, B-Q3; 119 B-R4, B-Q3; 120 B-R4, B-Q3; 121 B-R4, B-Q3; 122 B-R4, B-Q3; 123 B-R4, B-Q3; 124 B-R4, B-Q3; 125 B-R4, B-Q3; 126 B-R4, B-Q3; 127 B-R4, B-Q3; 128 B-R4, B-Q3; 129 B-R4, B-Q3; 130 B-R4, B-Q3; 131 B-R4, B-Q3; 132 B-R4, B-Q3; 133 B-R4, B-Q3; 134 B-R4, B-Q3; 135 B-R4, B-Q3; 136 B-R4, B-Q3; 137 B-R4, B-Q3; 138 B-R4, B-Q3; 139 B-R4, B-Q3; 140 B-R4, B-Q3; 141 B-R4, B-Q3; 142 B-R4, B-Q3; 143 B-R4, B-Q3; 144 B-R4, B-Q3; 145 B-R4, B-Q3; 146 B-R4, B-Q3; 147 B-R4, B-Q3; 148 B-R4, B-Q3; 149 B-R4, B-Q3; 150 B-R4, B-Q3; 151 B-R4, B-Q3; 152 B-R4, B-Q3; 153 B-R4, B-Q3; 154 B-R4, B-Q3; 155 B-R4, B-Q3; 156 B-R4, B-Q3; 157 B-R4, B-Q3; 158 B-R4, B-Q3; 159 B-R4, B-Q3; 160 B-R4, B-Q3; 161 B-R4, B-Q3; 162 B-R4, B-Q3; 163 B-R4, B-Q3; 164 B-R4, B-Q3; 165 B-R4, B-Q3; 166 B-R4, B-Q3; 167 B-R4, B-Q3; 168 B-R4, B-Q3; 169 B-R4, B-Q3; 170 B-R4, B-Q3; 171 B-R4, B-Q3; 172 B-R4, B-Q3; 173 B-R4, B-Q3; 174 B-R4, B-Q3; 175 B-R4, B-Q3; 176 B-R4, B-Q3; 177 B-R4, B-Q3; 178 B-R4, B-Q3; 179 B-R4, B-Q3; 180 B-R4, B-Q3; 181 B-R4, B-Q3; 182 B-R4, B-Q3; 183 B-R4, B-Q3; 184 B-R4, B-Q3; 185 B-R4, B-Q3; 186 B-R4, B-Q3; 187 B-R4, B-Q3; 188 B-R4, B-Q3; 189 B-R4, B-Q3; 190 B-R4, B-Q3; 191 B-R4, B-Q3; 192 B-R4, B-Q3; 193 B-R4, B-Q3; 194 B-R4, B-Q3; 195 B-R4, B-Q3; 196 B-R4, B-Q3; 197 B-R4, B-Q3; 198 B-R4, B-Q3; 199 B-R4, B-Q3; 200 B-R4, B-Q3; 201 B-R4, B-Q3; 202 B-R4, B-Q3; 203 B-R4, B-Q3; 204 B-R4, B-Q3; 205 B-R4, B-Q3; 206 B-R4, B-Q3; 207 B-R4, B-Q3; 208 B-R4, B-Q3; 209 B-R4, B-Q3; 210 B-R4, B-Q3; 211 B-R4, B-Q3; 212 B-R4, B-Q3; 213 B-R4, B-Q3; 214 B-R4, B-Q3; 215 B-R4, B-Q3; 216 B-R4, B-Q3; 217 B-R4, B-Q3; 218 B-R4, B-Q3; 219 B-R4, B-Q3; 220 B-R4, B-Q3; 221 B-R4, B-Q3; 222 B-R4, B-Q3; 223 B-R4, B-Q3; 224 B-R4, B-Q3; 225 B-R4, B-Q3; 226 B-R4, B-Q3; 227 B-R4, B-Q3; 228 B-R4, B-Q3; 229 B-R4, B-Q3; 230 B-R4, B-Q3; 231 B-R4, B-Q3; 232 B-R4, B-Q3; 233 B-R4, B-Q3; 234 B-R4, B-Q3; 235 B-R4, B-Q3; 236 B-R4, B-Q3; 237 B-R4, B-Q3; 238 B-R4, B-Q3; 239 B-R4, B-Q3; 240 B-R4, B-Q3; 241 B-R4, B-Q3; 242 B-R4, B-Q3; 243 B-R4, B-Q3; 244 B-R4, B-Q3; 245 B-R4, B-Q3; 246 B-R4, B-Q3; 247 B-R4, B-Q3; 248 B-R4, B-Q3; 249 B-R4, B-Q3; 250 B-R4, B-Q3; 251 B-R4, B-Q3; 252 B-R4, B-Q3; 253 B-R4, B-Q3; 254 B-R4, B-Q3; 255 B-R4, B-Q3; 256 B-R4, B-Q3; 257 B-R4, B-Q3; 258 B-R4, B-Q3; 259 B-R4, B-Q3; 260 B-R4, B-Q3; 261 B-R4, B-Q3; 262 B-R4, B-Q3; 263 B-R4, B-Q3; 264 B-R4, B-Q3; 265 B-R4, B-Q3; 266 B-R4, B-Q3; 267 B-R4, B-Q3; 268 B-R4, B-Q3; 269 B-R4, B-Q3; 270 B-R4, B-Q3; 271 B-R4, B-Q3; 272 B-R4, B-Q3; 273 B-R4, B-Q3; 274 B-R4, B-Q3; 275 B-R4, B-Q3; 276 B-R4, B-Q3; 277 B-R4, B-Q3; 278 B-R4, B-Q3; 279 B-R4, B-Q3; 280 B-R4, B-Q3; 281 B-R4, B-Q3; 282 B-R4, B-Q3; 283 B-R4, B-Q3; 284 B-R4, B-Q3; 285 B-R4, B-Q3; 286 B-R4, B-Q3; 287 B-R4, B-Q3; 288 B-R4, B-Q3; 289 B-R4, B-Q3; 290 B-R4, B-Q3; 291 B-R4, B-Q3; 292 B-R4, B-Q3; 293 B-R4, B-Q3; 294 B-R4, B-Q3; 295 B-R4, B-Q3; 296 B-R4, B-Q3; 297 B-R4, B-Q3; 298 B-R4, B-Q3; 299 B-R4, B-Q3; 300 B-R4, B-Q3; 301 B-R4, B-Q3; 302 B-R4, B-Q3; 303 B-R4, B-Q3; 304 B-R4, B-Q3; 305 B-R4, B-Q3; 306 B-R4, B-Q3; 307 B-R4, B-Q3; 308 B-R4, B-Q3; 309 B-R4, B-Q3; 310 B-R4, B-Q3; 311 B-R4, B-Q3; 312 B-R4, B-Q3; 313 B-R4, B-Q3; 314 B-R4, B-Q3; 315 B-R4, B-Q3; 316 B-R4, B-Q3; 317 B-R4, B-Q3; 318 B-R4, B-Q3; 319 B-R4, B-Q3; 320 B-R4, B-Q3; 321 B-R4, B-Q3; 322 B-R4, B-Q3; 323 B-R4, B-Q3; 324 B-R4, B-Q3; 325 B-R4, B-Q3; 326 B-R4, B-Q3; 327 B-R4, B-Q3; 328 B-R4, B-Q3; 329 B-R4, B-Q3; 330 B-R4, B-Q3; 331 B-R4, B-Q3; 332 B-R4, B-Q3; 333 B-R4, B-Q3; 334 B-R4, B-Q3; 335 B-R4, B-Q3; 336 B-R4, B-Q3; 337 B-R4, B-Q3; 338 B-R4, B-Q3; 339 B-R4, B-Q3; 340 B-R4, B-Q3; 341 B-R4, B-Q3; 342 B-R4, B-Q3; 343 B-R4, B-Q3; 344 B-R4, B-Q3; 345 B-R4, B-Q3; 346 B-R4, B-Q3; 347 B-R4, B-Q3; 348 B-R4, B-Q3; 349 B-R4, B-Q3; 350 B-R4, B-Q3; 351 B-R4, B-Q3; 352 B-R4, B-Q3; 353 B-R4, B-Q3; 354 B-R4, B-Q3; 355 B-R4, B-Q3; 356 B-R4, B-Q3; 357 B-R4, B-Q3; 358 B-R4, B-Q3; 359 B-R4, B-Q3; 360 B-R4, B-Q3; 361 B-R4, B-Q3; 362 B-R4, B-Q3; 363 B-R4, B-Q3; 364 B-R4, B-Q3; 365 B-R4, B-Q3; 366 B-R4, B-Q3; 367 B-R4, B-Q3; 368 B

How to spend it

by Lucia van der Post



trouble with most disposable tableware the designs have tended to be at best odd or at worst banal or twee. Most of the ranges around have usually tended to sign, often Scandinavian, and often far cheap.

Unkidy, who are noted for their rising and fine range of stationery of the kind that started looking like this y one of the latest and most complete of disposable table "Helen" that I have across. Designed by Primrose Borden, France's leading textile designers, the collection is a charming and skilful nation of patterns (some small and pretty small and geometric, some dots, some) and plaid. Most of the range is in any colour or any pattern and so sky a very effective combination can be made with plain cups but matching patterned and either plain or patterned napkins. There are six plain colours—turquoise, brown, navy blue, red, grass green and the patterns, whether small flowers, geometries or whatever, all are designed in combinations of those colours and white. Most of the things are relatively

hard-wearing, particularly the mats and the plates, so that, if carefully used, they could be used more than once.

There is just one size of plate—23 cm in diameter and they cost 95p for 10. There are cups, which come only in the plain colours, which cost 49p for 10.

Table napkins come in three sizes and are all of 3-ply tissue which is soft and absorbent and are available in patterns or plain. 34 cm square cost 67p for 20, 30 cm by 46 cm cost 76p for 20 whilst the largest size—40 cm by 60 cm, cost £1.00 for 20.

Tablecloths are made of two layers of paper with a layer of scrim for extra strength between them and cost £1.05 each. They measure 140 cm by 240 cm and come only in the patterns (no plain versions are available).

The tablemats have rounded ends, are made of strong card with a strong plastic surface, and they should last very well. They measure 43 cm by 28 cm and cost £1.98 for six. Many shops stock some of the range but two London shops have the complete and comprehensive selection. Liberty's of Regent Street, London, W.1, and Conran of Fulham Road, London, S.W.3. Liberty's will send by mail for 35p extra per package.

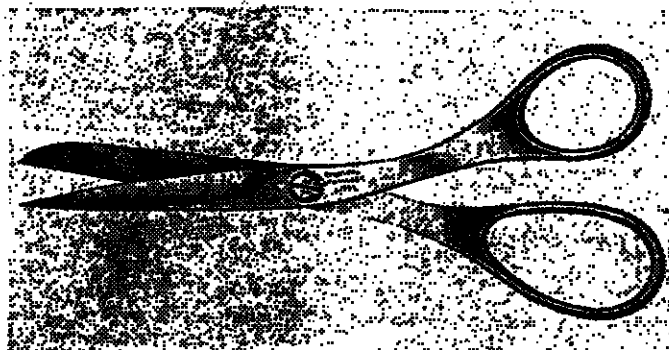
household should be a good pair of scissors as indispensable as a knife, a screwdriver and other tools we now need in the average household.

A favourite pair of scissors on a pair of Finnish ones right orange handles but British-made pair, and made by Russell & Ld seem to me to be in good and very ably priced.

are made entirely from steel, feel very good to use, and seem to cut very

is a complete range of primarily to help the dressmaker, and all of re newly approved by the Centre.

is a general purpose a draper's scissor and an dery scissor all 44 inches £1.50. A cutting out measures 64 inches and there are two dressmaking, 7 inches for £3.20.



84 inches for £3.40. Pinkish shears are 74 inches for £4.96 and nylon cutting scissors measure 84 inches for £3.80. As you can see from the photograph, the scissors are distinguished by their lean and handsome look. Anybody with some lengths of fabric bought in the sales and in need of a pair could take a look at them in a wide variety of stores, including Saks Fifth Avenue, and the John Lewis Partnership.

JUST a reminder that all entries for our Quiz published on December 28 must be in by Monday, January 12. So anybody who has cut out and kept the copy but not filled it in or sent it off shouldn't waste any more time. Remember the senders of the three first correct sets of answers opened in this office on Monday will each win a prize of three bottles of champagne.

CONTINENTAL quilts or duvets quilt and want it now, there is one section of the bedding which explains as well as anything else retailers expect to boom in 1976. Certainly it is true that at sales time and in slack periods con-ling, the differences between (tential) quilts are often offered at some specially reduced rate and the casual shopper may find that she has no means of comparing one brand with another, of knowing what quality should cost how much or which is better value or better quality.

There is a British Standard for Continental quilts and it is expected to be in force from the end of February but in the meantime for those who can't wait any longer, who want a 94 inches by 64 inches).

About 75 per cent of British manufacturers belong to the Continental Quilt Association, and all of them are obliged to conform to British Standards. However it is no secret that there have been on the market quilts of dubious quality offered at what seem remarkable prices which in the end prove no kind of bargain at all. There have been quilts made of unbranded fibres with unspecified weights, covers not fine enough or durable enough to retain their fillings, and so on.

To guard against the possibility of being saddled with such an inferior product any intending buyer should make sure to read this leaflet.



● If you're badly in need of something to cheer you and your wardrobe in this post-Christmas phase and you haven't the patience to cope with knitting Sirdar's coat, Jump knitwear provide just the sort of cheery knitwear to do the job. They are a very young firm whose range of colourful, fashionable and reasonably-priced knitwear has been a runaway success this winter.

The designs seem to cut across all age barriers, looking good with jeans, the new Russian-style trousers and more old-fashioned skirts. The colours are good and no matter what your own colouring you should be able to find something to suit you and your wardrobe.

Left: a black and white Jacquard square-necked sweater made from 100 per cent acrylic and available in sizes small, medium and large. £11.50 from all branches of Army and Navy shops, Kendal Mill, Manchester, Henry Wigfall, Pittmoor Road, Sheffield.

Leckermans of Stockport, Macclesfield, Altrincham and Wilmslow.

Centre: Casual hooded sweater with a toggle-fastening at the neck and colourful patterned sleeves. Also made from 100 per cent Acrylic fibre in sizes small, medium and large, the basic colours may be blue, black or red. £11.50 from Impact at Frasers, 21, Buchanan Street, Glasgow, all branches of Army and Navy shops, Girl about Town shops and Top Shop branches.

Right: A black and white T-shaped tunic again with a toggle-fastening at the neck. It looks good teamed with a long skirt or slinky trousers for evening, but could be equally worn during the day. Made from a 50 per cent rayon, 50 per cent Acrylic fibre, in small, medium and large, it costs £9.90 from all branches of Top Shop at Peter Robinson, Impact at Frasers of Glasgow and all branches of Irvine Sellars and Bensalis.



● For those of you who feel of their inspiration—the Sirdar poor, cold but energetic, now is the perfect time to get down to some knitting. All the autumn and winter fashions emerging from Paris showed a uniform theme—chunky knits of decidedly ethnic origin, which could be worn over a combination of other knitted clothes. These origins tend to be very expensive—knitted coats by Chloé, Dorothea Bis, et al do not come cheap—but this three-quarter chunky coat, devised by Sirdar, would cost from £6.50 upwards, depending upon your size.

To suit the new chunky look many of the wool manufacturers have produced yarns with names that plainly indicate the source number is 5552.

ANYBODY who doesn't have personal friends in France but me and spoken warmly of by sonal friends in France but friends. They go to immense trouble to match children/teen exchange for their children in agers and families and as the coming spring or summer exchanges are organised for set should get started now. Robert-periods of time children are son's ETS of 107 Broadhurst Road, London, NW6 3BJ is Robert's ETS now for details one of the organisations that I if you want to be sure of being have not personally used but happily fixed up either at Easter have often had recommended to or in the summer.

The Arts

A cultural renaissance in Sofia

BY RONALD HOLLOWAY

So often, some chemistry of the past and the present is needed to bring about a cultural renaissance in a country. The "thaw" in the Soviet Union, which followed the death of Stalin in the '50s, and Polish art, which has been steadily since the war, are examples of this. In the case of Bulgaria, the renaissance is being brought about by the influence of the Middle Ages (Cyril and Methodius converted the Bulgarians to Byzantine Christianity in the ninth century); thus the famous Rila Monastery, on the outskirts of Sofia, founded by the hermit monk Ivan Rilski in the 10th century, became a Shangri-la for the Old-Bulgarian Slavonic liturgy, the earliest literary language of the people, as well as preserving the country's art and cultural heritage in a veritable monument to Bulgarian architecture, woodcarving, and icon and fresco painting. The crypt of the Alexander Nevski Cathedral contains a treasury of religious icons, miniatures, and mural paintings from the Middle Ages collected from around the country as the only permanent record of a dark and complex history.

Contemporary art in Bulgaria echoes the past in probing the present. The abstract paintings on the walls of public officials, have either an expressionistic hue, restating the lead lines of the icon as Rouault did, or an impressionistic touch, inspired by nature in the same way as many primitive iconostases in artists turned to fruit-and-vegetable, agrarian scenes for inspiration. Theatre in Sofia is not without its historical folk-dramas on the glories of the Bulgarian Empire in the 10th and 13th centuries, but the growing intellectual class (a half-million have higher education) also weighs the metaphorical language of Dimitar Dinev's *Doomed Souls*, a novel, play-film presently on everyone's lips, about the liberation from the

Turks), where opera singers intone solemn hymns that dance in arts and letters in the monasteries as national cries of freedom and resistance during the 500-year oppression by the Ottoman Empire. Ironically enough, this Bulgarian orthodoxy was supported by the Turks to counter the Greek Byzantine influence of the Middle Ages.

Western taste adds sophistication to theatre life. Theatre 199, a converted cinema, draws the young crowd for experimental drama of British-American flavour. Long lines are usual before the ticket office of the National Theatre on late afternoons: I saw a highly professional performance of Brecht's *Schoenberg* on the Second World War (and severely regretted not returning each evening thereafter). Foreign films are popular and plentiful, but more exciting are the contemporary themes serving as a bridge to a "new social consciousness" in a humorous, satirical vein. With two films, *The Hare Census* and *The Villa Zone*, debut-director Eduard Zahariev is already a past master of tweaking the functional nose, as well as getting in some good digs at the emerging bourgeoisie, the arrogant, upcoming villager to town-dweller, in Socialist society.

The Hare Census (1974) has no plot to speak of: it's an improvisation on what happens when a minor official (he counts the number of hares per acre in a village area for a government census) disquiets everyone by his visit, to such an extent that he drives home with a car-load of produce. *The Villa Zone* (1975) is a laugh a minute about a greedy band of relatives using a family celebration (the son is departing for a hitch in the military) to impose on the clerk in charge of granting permission to build "in the villa zone" for special favours; the story carries a punch when the son drops his parents for the girl of his choice, not the clerk's homely daughter. Another film-comedy, *Strong Water* (1975), tells the same story of provincial corruption—a drilling crew to find well-water keeps up the illusion of work to keep the boss happy, but ill-informed, mayor, happy—with psychological depth and tongue-in-cheek humour; director Ivan Terziev presents a host of colourful personalities with both good and bad sides. It's the type of film in which the important questions are left open to invite dialogue.

Other films treat the same subject matter from the serious side, but a national cinema that can laugh so heartily at its own foibles is well worth keeping an eye on.



Teresa Stratas, Bernd Weikl and Pilar Lorengar

Leonard Burt

National's farewell gala at the Old Vic

On February 25 the National Theatre's last performance at the Old Vic will be a charity gala of Tribute to the Lady on behalf of the Royal Victoria Hall (Old Vic) Foundation. The NT company make a start in their new home on the South Bank two weeks later.

Val May's production of *Tribute to the Lady* (first seen in 1974 at the Old Vic) celebrates the life and work of Lillian Baylis, who managed the Old Vic for a quarter of a century, and paved the way for the English National Opera, the Royal Ballet, and the National Theatre.

Peggy Ashcroft plays Lillian Baylis. Laurence Olivier is the Narrator, and the cast includes, alphabetically, Polly Adams, Anna Carteret, Robert Eddison,

Monaco's spring music competition

The competition for the Prince Pierre of Monaco Prize for Musical Composition will be held for the sixteenth time in the spring of this year. The final date for entries is April 1, 1976.

A prize of Frs 20,000 is awarded each year for chamber music, orchestral works, compositions for the theatre, and sacred music. This year's event will be devoted to orchestral music, with or without soloists, but excluding choral participation. It will be open to composers of any nationality and any age. The winning work will be performed in the Principality of Monaco during the year.

The rules of the music competition and additional information can be obtained from the Secrétaire Général de la Fondation Prince Pierre de Monaco, Palais Princier, Monaco, or through the Monaco Information Centre, 34, Sackville Street, London, W.1.

Christopher Hampton at the Court

Christopher Hampton's new play *Treats* opens at the Royal Court on February 5. Robert Kidd, the director, has directed all Hampton's previous plays at the Court. Andrew Saunders is the designer.

The cast includes James Bolam, Jane Asher and Stephen Moore.

Le nozze di Figaro

BY GILLIAN WIDDICOMBE

Some first nights are nervously sung, and Thursday's was one of relationship between this impassioned but careless middle-aged down, Covent Garden's current revival of *Figaro* will be an un- in which Rosina was won. Mr. Weikl has a wide variety of vocal talents that elegant Mozart soprano colours, clear rhythm and ele of creamy smile and silver-spun gain line. The large, difficult, line, Pilar Lorengar, and the sturdy buffo baritone, Wladimir Ganzaroli, as the Countess and sung, and gave—in weight of *Figaro*; and an outstanding Count Almaviva in the young Viennese singer, Bernd Weikl. Christoph von Dohnanyi's conducting is delicate, serious, interesting. And the production in its present form (four-year-old Copley, re-learns this time by Michael Rennison) remains a positive, good-looking presentation.

It is not the most intimate production of *Figaro* that I have seen. That, perhaps, was Basil Coleman's much underrated studio production a year or so ago, for BBC Television, in which the atmosphere of domestic imbrigo was most intricately drawn. Nor is it as thought-provoking as the 1972 Ponnelle production at Salzburg, conducted this year at a breathless, even boring, prestissimo by Karajan. Ponnelle sticks closely to Beaumarchais, often abolishing the conventional exits with theatrical ingenuity that is sometimes amazing.

For example, in the opening scene, the Count does not leave the room after discovering Cherubino in the chair, and giving him the convenient commission; so *Figaro*'s "Non più andrai" is sung before him, as the sardonic first instance of *Figaro*'s deception. *Figaro* is a drama of social politics," writes William Mann in Covent Garden's programme. Oh, moonbeams! At least, it can be given an unconscious degree of debatable manipulation. (Remember that Ernest Newman, on the reasonable grounds that the libretto is sometimes unworthily sketchy, advocated the unreasonable use of Beaumarchais' dialogue instead of D. Ponce's for the recitatives. (More moonbeams.) However, the strength of this Covent Garden production is that it successfully avoids such overtones. It is a glamorous, dignified, warm-hearted interpretation, occasionally a little cheap or dogged in its determination to be amusing; but it catches, simply and effectively, the sisterly affection between the Countess and her maid, underplaying the tension between the Count and his factotum, in favour of a smooth-running musical drama about romantic intrigue. *Figaro* is a drama of different ways of loving, and dissembling. That may be my moonbeam; but it was not un- done by Thursday evening.

With Bernd Weikl, this Count is clearly master of his house-hold which (aside from the Countess's neglect) is as happy as one could imagine, and by no means the provocation for social revolution. Weikl plays the role of a smooth-running, engaging, gentleman; and second, young and virile in bearing

That *Figaro* has become a little complacent in secure employment is the drift of Ganzaroli's characterisation. His performance, however, is a success. He is too genial and clownish, but this is not one of that kind. The articulation is so soft and natural that it would do for Rossini; the voice is straight-forward, and the acting in fresh form. The Hungarian mezzo Julia Hamari provides a "poign", pubescent cherub but makes a successful house debut by attractive singing of both his darling arias. Lillian Watson's Barbarina is charming. John Dobson's Basilio ridicules the role of a smooth-running, engaging, gentleman; and second, young and virile in bearing Bartolo disgusting.

Theatres this week

Two openings in London this week, both at fringe as, both well worth while. MUS DISCOTHEQUE, 10, Short Street, plays a short lunch-time play, *Meander*, about the urable British in the of disaster. Very comfort- ambience, with bar and ices, at the north-east cor- Leicester Square. Opened,

KING'S HEAD, Upper Street, N.1.—The *Browning Version*. First London revival of Kati-gay's moving one-act play, with a stunning performance by Nigel Stock as Crocker-Harris the failed schoolmaster. Opened, Thursday as the second half of a double bill with Frank Marcus's *Carol's Christmas* (reviewed on this page the week before Christmas).

HOME NEWS

Kaufman gives assurance on supersonic flight

BY LORNE EARLING

FUTURE of supersonic flight is assured, what emotional arguments rather than the U.S. decision on Concorde flights to New York and London, Mr. Gerald Kaufman, Minister of State at the Department of Industry, said yesterday.

Mr. Kaufman said that the sort of music hall turn does not go down well at that sort of U.S. where he gave evidence at the Concord hearings in Washington, that if British Air and Air France were involved in the "showcase" across the North Atlantic, it would have a great effect on commercial future of the craft.

More routes

There was no question about the future of supersonic flight. "There is no sense in telling the umpire before his decision, even an adverse decision that you won't accept it. But if the U.S. and Concorde would there is an adverse decision there is likely to be universal public support for British pressure and we have to respond in some way."

Lord Boyd-Carpenter, chairman of the Civil Aviation Authority, said yesterday that the future of the Concorde programme had still to take place, and there were no plans for building a second generation of aircraft.

Mr. Kaufman said that the future of the Concorde programme had still to take place, and there were no plans for building a second generation of aircraft.

Caledonian to compensate over-booked passengers

BY LORNE EARLING, INDUSTRIAL STAFF

THE Caledonian, Britain's biggest independent airline, has announced that it will pay compensation to passengers who are over-booked on flights to and from Glasgow.

The airline said that the decision comes after a long period of negotiations with the Civil Aviation Authority, which has a compulsory compensation scheme for all British airlines.

The airline said that the compensation would be 10 per cent of the fare for each period of 24 hours.

The delay between the scheduled time of arrival of the original flight and the flight on which the passenger is re-booked.

The airline said that if the time difference was more than four hours the compensation would be 5 per cent of the fare for each period of 24 hours.

The airline said that if the time difference was more than 10 per cent, plus a meal, and if more than 24 hours the compensation would be 15 per cent for each period of 24 hours.

Unions urge Foot to save Midlands

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

A CALL to the Government, and Mr. Michael Foot in particular, to take urgent action to reverse the increasingly desperate plight of the Midlands was made by Mr. Brian Mathers, chairman of the West Midlands TUC, at a meeting of senior union officers with the Employment Minister in Birmingham yesterday.

"The Government needs to examine in detail the whole situation in the Midlands for unless it is a viable region the national economy will be held back," he said.

Mr. Mathers, disclosing new figures arising out of recent university surveys, said that nearly 60 per cent of the employed in manufacturing industry in the West Midlands were in engineering, and that capital investment per head was only 30 per cent of the national average.

He said that the Midlands was the second lowest in the country.

Output per head was substantially below the national average, with only a slight increase, while wage rates were relatively high, the percentage increase in weekly and gross average earnings was the lowest in the country.

Unemployment in the region was rising faster than in any other and it engendered a feeling of insecurity manifested by factory occupations and demonstrations.

Previously Mr. Foot had met engineering employers. While talks ranged over a variety of topics most of the questions directed at the Minister concerned recent and pending legislation about the future of a mixed economy when the Government was increasingly intervening in manufacturing industries, the closed shop and worker participation.

He gave the strong impression that he was in favour of a mixed economy rather than wholesale nationalisation, and that as regards reducing the "intolerable level" of unemployment he was relying heavily on the job creation policy, training grants and on the independent Conciliation and Arbitration Service (ACAS) for minimising industrial disputes.

The Government had still not decided on a pay policy to follow the £8 limit which ended in August, Mr. Foot said.

Talks with unions and employers had begun only in the most tentative way and there would have to be formal talks over coming months, he told Journalists.

Flat-rate policy's effect on pay differentials would be considered, but this must be balanced against the need to curb inflation and be as fair as possible to the lowest paid.

OBITUARY

Mr. John Bonfield, NGA leader

MR. JOHN BONFIELD, one of the printing industry's most senior and respected trade union leaders, died yesterday in hospital just five months before he was due to retire. He was 62.

Mr. Bonfield was general secretary of the National Graphical Association. At the end of last month his assistant general secretary, Mr. Joe Wade, was elected to succeed him when he retires in June.

A national trade union official for nearly 20 years, Mr. Bonfield was a tough and fair negotiator. He was kind and generous to friends and colleagues but was also single-minded in his commitment to maintain the status and viability of his proud craft union.

One of the most difficult tasks faced by Mr. Bonfield was a battle with the TUC over its

Japanese make specialist car deal

By Terry Dodsworth

ADDIS ABABA, Jan. 9.



Mr. Gerald Kaufman "No retaliation"

TWO SPECIALIST car manufacturers have signed contracts with a Japanese importer which will mean a considerable expansion of British sales in the luxury sector of the Japanese market this year.

Aston Martin is to sell 80 of its V8 models over the next two years; Panther, the Elyett concern, an agreement to deliver a minimum of 25 cars this year with an option on a further 50.

Both these British companies will distribute the cars through a small importing agency, Chubu Yashima Auto, of Nagoya.

Another, a fast expanding company which is moving into a new factory and expects to build up its work force to well over 200 this year, sold a number of cars in Japan last year, mainly J72 two-seater sports cars. But it plans to increase its sales by daily after changing its importer.

Aston Martin, rescued from the Receiver by a joint Anglo-Canadian consortium earlier this year, is turning out a limited number of cars from existing components and expects to be back in full production next month.

The Japanese deal could be worth at least £2m, and the company also has other export orders worth £2m.

Labour MP faces expulsion

By Chris Baur

THE SCOTLAND Council of the Labour Party, in an unprecedented move yesterday, challenged the eligibility for membership of one of Scotland's 41 Labour MPs—Mr. James Sillars (South Ayrshire).

In a ruling on membership disqualification issued by Mr. James McGonigle, acting Scottish Secretary of the Labour Party, the Council warned members against joining the recently formed breakaway Scottish Labour Party, of which Mr. Sillars is a former member. It said that members of the new party would be ineligible for affiliation to the British Labour Party.

The ruling appeared to be a potential embarrassment for the Government, throwing doubt on its precarious one-vote majority in the Commons.

Mr. McGonigle said the ruling was directed against anyone who joined the SLP, and would be circulated shortly to all constituency organisations. Asked whether this threatened Mr. Sillars' position as a member of the Parliamentary Labour Party, he said: "Yes, it is in danger. He will have to wait that up."

Mr. Sillars replied: "I will precipitate no Parliamentary crisis whatsoever."

He did not seek to be removed from the role of membership of the Labour Party, "because I fully acknowledge that would mean turning the present majority Government into a minority Government and giving Mr. Margaret Thatcher a majority in the House."

Repudiated

He intended to continue acting in the lobbies as a member of the Labour Party.

It is not certain what further action, if any, might be taken by the Scottish Labour Party, which management committee in Ayrshire. It voted 29-11 last month to repudiate his association with the new Scottish Labour Party and asked him to resign.

He has told his local organisation that he will stand as a candidate for the SLP at the next general election.

The SLP, whose general secretary is Mr. Alex Neil, Labour former Scottish research officer, and which was joined this week by a member of the Scottish Council's executive, Mr. Danus Skene, advocates the devolution to the proposed Scottish Assembly of extensive industrial, economic and fiscal powers going well beyond those outlined in the Government's devolution White Paper.

Mr. McGonigle said it seemed clear that the new party aimed to frame its own policies, recruit its own members and put up candidates at local and national elections. Under clause 11 of the national constitution, this would make the party ineligible for membership of the British Labour Party.

He was also the first U.K. president of the International Graphical Association, and was a part-time member of the Eastern Electricity Board.

Yesterday he was praised by two printing employers. Mr. John Dixon, director of the Newspaper Publishers' Association, described him as a "man of unfailing courtesy and great integrity."

Mr. Tony Baynham, chairman of the Joint Labour Committee of the British Printing Industries Federation and the Newspaper Society, said: "A highly skilled negotiator, resolute and hard-bitten, John was always practical in his approach and straightforward in his dealings with the employers."

"He combined a real concern for the industry with a wholehearted devotion to the welfare of those he represented."

OVERSEAS NEWS

No formula found to prevent OAU split

By Stewart Dalby

AS AFRICAN Heads of State began to arrive for tomorrow's crucial summit meeting here on Angola, it emerged clearly to-day that the 46-country organisation remains sharply divided on whether to recognise the Soviet-backed MPLA faction in the Angolan civil war or whether to urge a settlement between the warring powers in Angola and advocate a national front government between the three rival liberation movements.

More than 30 OAU Foreign Ministers who began to arrive in Addis Ababa this week have been unable to frame any resolutions for the Heads of State to decide upon. It had been expected that the more hard-line OAU members would have called for the withdrawal of South African troops from Angola and a condemnation of its involvement there, and that the moderates would have advocated a settlement between the three rival liberation movements.

Instead, the Foreign Ministers have come up with a one item agenda, that the Heads of State "consider" the Angolan problem.

The difficulties they face in averting an open split within the OAU have intensified virtually within the past two days because, in the opinion of one OAU official, "the problem has become a substantive issue requiring debate or a head count requiring a simple majority."

In other words, the Marxist MPLA has almost certainly now lined up a numerical majority prepared to recognise the movement as the sole Government of Angola. Mr. Jorge Sampaio, the Foreign Minister of Unité, one of the two other Angolan movements, to-day told the Financial Times: "I can count 22 countries who have recognised the MPLA." Diplomatic observers say that the MPLA has almost certainly won the 24-country mark needed for a simple majority, but that some countries, such as Ethiopia, are waiting for the week-end's meeting before declaring their position.

France sides with Morocco on Sahara

By Robert Mauthner

PARIS, Jan. 9.

FRANCE appeared to have sided firmly with Morocco in the dispute between the two North African countries over the Spanish Sahara, by inviting King Hassan of Morocco to pay an official visit to France at the beginning of April.

"Although the visit was agreed on in principle as long ago as May last year, the date was left in abeyance. It was finally agreed at a meeting here yesterday between President Mitterrand and Mr. Ahmed Osman, the Moroccan Prime Minister, who has just concluded a highly successful visit to France."

At the same time, observers have noted that nothing more has been heard of an official visit which President Boumedienne was scheduled to pay to France at the beginning of this year. Indeed, Franco-Algerian relations appear to be deteriorating daily. Following the dispute over French oil interests in Algeria and the Algerian's complaints about France's failure to step up its imports from Algeria, today's reports of a deterioration in relations between the two countries.

The last Spanish soldiers in the Saharan capital of El Aaiun left the city to-night, the Spanish news agency Cifra reported.

French Foreign Minister, Jacques Foccart, reported from Algiers: "The Algerian police have accused the French counter-espionage service SDECE of being behind a series of bombings and kidnappings in Algiers, and against Algerian officials and offices in Europe, the fall to increase the tension between the two countries."

Israel is anxious that Britain should be fully aware of her position, because Britain may well put forward a compromise proposal at some time during the view.

At a Press conference after talks with President Anwar Sadat and other Egyptian leaders, Mr. Thatcher refused to be drawn into discussion of Middle East issues, saying that major pronouncements were not appropriate three days before the UN debate on the subject. She even refused to follow up the reported statement made in Kuwait by Mr. Patrick Jenkin, Conservative Party spokesman, that a sympathetic to supplying British arms to the Arab states, and that the PLO at peace talks.

The visit coincided with a trip to Egypt by Mr. Ian Gilmour, Conservative defence spokesman, ostensibly wearing the hat of a reporter for the European Parliamentary Political Committee of the Euro-Arab dialogue. Despite denials that arms sales were under discussion, Sir Kenneth Keith, chairman of the Royal Society for the Defence of the Middle East, said that the British Government would be more than ready to supply British arms to the Arab states, and that the PLO at peace talks.

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Madrid Metro workers vote to end stoppage

BY ROGER MATTHEWS

UNDERGROUND railway workers in Madrid voted by a 4-1 majority to-night to end their four-day-old strike, thereby easing slightly the labour tension that has been growing in Spain, and especially the capital, during the week. After several hours talks with management the strike leaders advised an immediate return to work, with the unanimous threat to resume the strike if a satisfactory pay deal had not been agreed by January 19, or if there was any victimisation of individual workers.

Workers' organisations and Left-wing political groups have been trying to escalate the level of industrial conflict as militancy mounted following the stand taken by the Metro workers.

As the Cabinet met this morning under Prime Minister Carlos Arias, riot police were again in new pay deal for banking staff, has also affected Barcelona and Valladolid.

Parts of the southern industrial zone of Madrid were once more badly affected by stoppage of public transport, but at several multi-national companies production has been halted either by strikes or by retaliatory management action.

The banking and insurance sector is also being drawn into the conflict, with partial stoppages affecting many offices. Riot police broke up an attempted demonstration in Madrid late yesterday by 5,000 bank workers, firing several volleys of tear gas and following up with baton charges. The

Portugal's small farmers win reform concessions

BY PAUL ELLMAN

LISBON, Jan. 9.

THE PORTUGUESE Government to-day published details of modifications to its agrarian reform programme in a bid to head off discontent among the country's farmers. Dr. Lopes Cardoso, the Agriculture Minister, announced the changes at a Press conference called in advance of a mass protest by farmers' organisations this Sunday in the northern city of Braga.

The Minister confirmed that the Government intends to carry out further reforms on the basis of a de facto recognition of the pattern established so far.

Of the estimated 100,000 hectares appropriated up to now, less than half of it legally—nearly all has been in the Alentejo region south of the river Tagus.

Fears among owners of small and medium-sized farms that they were next in line for expropriation have created a wave of discontent among the country's farmers. Dr. Lopes Cardoso, the Agriculture Minister, announced the changes at a Press conference called in advance of a mass protest by farmers' organisations this Sunday in the northern city of Braga.

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Elf-Aquitaine shake-up approved

BY RUPERT CORNWELL

PARIS, Jan. 9.

THE FRENCH Government has approved plans for a complete re-organisation of the publicly-owned Elf-Aquitaine oil group, which will entail a merger of the two principal components, ELF-ERAP and Société Nationale des Pétroles d'Aquitaine.

Under the deal, whose outline was announced to-night by the Finance Ministry, the exploration, production and refining of ELF-ERAP, as well as its mining interests will be made over to SNPA.

The enlarged company will be renamed Société Nationale Elf-Aquitaine. Control of the 51 per cent of Aquitaine, it has pledged not to use the weight when the latter's shareholders meet to approve the deal. The extra shares it receives will be managed by the neutral Caisse des Dépôts and ERAP will not

exercise the corresponding voting rights.

The basic reason for the changes is to get the group on to the more private footing which experience has shown is the most favourable for the operation of an oil group. At the same time its internal workings will be streamlined.

For Aquitaine, the deal will expand its base away from its hitherto gas-oriented activities. The company's main interest in the natural gas fields at Lacq in south-western France, but these are expected to be exhausted within a decade or two.

The companies said this evening that the asset valuation and approval by their Boards should be completed by the middle of this year. The merger will be financially retroactive to January 1, 1976.

Allon to visit Britain

BY DAVID BELL

WASHINGTON, Jan. 9.

MR. YIGAL ALLOH, the Israeli 10-day debate. There have been indications here that the U.S. will be prepared to vote for a relatively moderate statement of support for the Israeli attitude towards the key Security Council

debate on the Middle East which begins later in the day.

Resolution 242, but would not be at the end of his talks with Dr. Henry Kissinger. Mr. Allon said that he was satisfied that the U.S. would veto any resolutions that seek to alter the substance of Resolution 242 and 338. But he conceded that the U.S. had not promised to veto any and every resolution that might be put forward.

Israel is anxious that Britain should be fully aware of her position, because Britain may well put forward a compromise proposal at some time during the view.

At a Press conference after talks with President Anwar Sadat and other Egyptian leaders, Mr. Thatcher refused to be drawn into discussion of Middle East issues, saying that major pronouncements were not appropriate three days before the UN debate on the subject. She even refused to follow up the reported statement made in Kuwait by Mr. Patrick Jenkin, Conservative Party spokesman, that a sympathetic to supplying British arms to the Arab states, and that the PLO at peace talks.

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THE FINANCIAL TIMES

(Established 1888)

Incorporating THE FINANCIAL NEWS

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Telephone Day & Night: 01-248 8000. Telegrams: Financial Times, London.
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SATURDAY, JANUARY 10, 1976

Gilts lead the way

THE gilt-edged market was already buoyant when, at the end of last week, an unexpected drop in Minimum Lending Rate and in the base rate of one of the Big Four clearing banks encouraged a fresh rush to buy. The Government's tap stocks were both exhausted soon afterwards—the long-dated tap, £750m, of which was issued in early last month, on Tuesday and the short-dated tap, £800m, of which was issued late in November, on the following day. With the official brake on the advance of the market temporarily off action, price rises were sharp, especially since one of the leading U.S. banks (others followed suit yesterday) announced a fresh cut in prime lending rate and so confirmed the impression that monetary policy in the U.S. is being relaxed to some extent.

The Bank of England could have brought about another drop in Minimum Lending Rate yesterday. In fact, the drop in the Treasury bill rate was not quite enough to carry MLR further down immediately but still enough to suggest that another drop will not be long delayed. At the same time, the issue was announced of two new stocks, a short and a long-medium, to replace the exhausted taps. The issue terms of the latter were such as to push long-term gilt prices sharply higher and produce a rush of after-hours demand for industrial blue chips.

U.S. money
The Bank of England and the Treasury must certainly be pleased at their success in selling gilt-edged stock on a considerable scale and thereby minimising the potential inflationary effect of the large public sector borrowing requirement. The news that the Gas Council is to raise \$40m, by a Eurobond issue, the first such issue by a nationalised industry for two years, suggests that confidence in sterling has been sufficiently restored by the drawing on the International Monetary Fund for foreign borrowing of this sort, which equally helps avoid swelling the issue of Treasury bills, to be tentatively renewed. Given the likelihood that the deficit will remain large for some time to come and the need to prevent the average life of the national debt from becoming too short, the Bank will no doubt continue to sell gilt-edged hard.

But it is also anxious, for a variety of obvious reasons, to

Looking ahead

Wall Street has recently taken the bit between its teeth, partly through hopes of easier monetary conditions, and this as well as the drop in domestic interest rates has been helping to push up share prices in London. Some recent buying has undoubtedly been short-term and speculative, and there may well be a reaction soon. But there is no obvious reason why it should be large or prolonged so long as the demand for gilts—themselves a sign of greater hope that the Government's economic policies will prove successful—continues.

Yield considerations apart, investors are concerned with the future of the pound, rather than the immediate, not least those large institutions with considerable funds to invest. The present state of much of U.K. industry may be unhappy, and it seems likely that recovery will have to be based primarily on exports and therefore on a revival in world trade: this is why the Chancellor has been so strongly urging countries like the U.S. and Japan with a relatively strong balance of payments to make sure that their economies grow in the coming year as fast as forecast. But the latest CBI inquiry shows for the first time a small positive balance of companies reporting an increase in orders and in the expected volume of production over the next few months. It is in the first stages of an upswing that the turnaround in profitability is usually sharpest. Speculative flurries aside, therefore, the outlook for equities as well as gilt-edged is still encouraging.

Letters to the Editor

Accountancy crisis

From Mr. J. Clayton
Sir—Grave are the implications of the "Weekend World" continued reference to the "two sides of the industry". I feel, gives an immediate impression of confrontation and opposition, and there can be little doubt that this continued reference to the two sides of industry convinces manual grades, as well as much of management, that they are automatically in opposition to each other and they react accordingly. If politicians and all concerned in the present industrial scene could talk of the "two elements" of industry, rather than its two sides, I am sure that gradually a psychological change could be brought about with both shop floor and management (all of whom are workers in industry) thinking constructively of working together, rather than in opposition. R. A. Walsh, 35, Piccadilly, W.1.

Education officers

From Mr. P. Brennan
Sir—The Board of Arbitration on the salaries of Secondary Committee officers and their relationship with Burroughs teachers' salaries following the Houghton Report is right to recognise the close affinity between the work of education advisers and psychologists and the work of teachers. If, however, local education authorities agree to the implementation of the Board's recommendation, attention must be given to the further serious salary anomalies which will be created in the education service.

The local government officers salary award in the summer of 1975 was described by your Labour Correspondent as being the lowest in the public sector. The relationship of this award to recent salary awards for teachers has created quite absurd situations so that, for example, in a large county education authority an assistant director responsible for the management of nine or ten major establishments of further education is likely to be paid a salary lower than that

This week's Kingsmills massacre

in Northern Ireland and the decision to send a detachment of the Special Air Service to the province will form the bleak background to Monday's Commons debate on the future of the Convention.

Damping down the crisis

From GILES MERRITT, Belfast, January 9

THE soldiers manning the first in an obstacle course of checkpoints along the Belfast-Dublin road through Co. Armagh looked tired and wary. Physical reflections of Ulster this week. The NCO in charge told me his section had scarcely rested in 20 hours, and vehicle searches and identity checks have been greatly tightened.

Atmosphere sometimes has an almost tangible quality in Northern Ireland, and if the armoured personnel carriers that block the way to all but slow-moving and approved traffic look much the same as ever on a television screen, the soldiers and the civilians they "process" both know that in the past few days things have changed. Ulster is on red alert.

It must seem odd to anyone whose glimpses of the province are the unremitting diet of death and destruction served up by television cameras, but this year so far contrasts strongly with last. The friends and relatives of the 246 killed and the thousands injured or affected by the sporadic violence must find it impossible to agree, but in 1975 Ulster briefly enjoyed comparative salad days.

Britain took the brunt

The spring elections to the Convention brought the faint hope of constitutional settlement and were followed by the long, slow summer of the politicians' holidays that gave everyone a holiday, too. The Provisional IRA ceasefire stretched and held and mainland Britain took the brunt when violence overspread. In Belfast, people have relaxed and their own kind in "internecine" blood feuds. It was generally acknowledged as a great improvement on the sectarian murder of innocents.

Mr. Merlyn Rees's skilled, if sometimes byzantine, juggling act was if not delivering a

breakthrough at least avoiding a breakdown.

That has changed. With the crisis Mr. Harold Wilson has stepped in and not only elbowed Mr. Rees aside but reportedly overruled him on security matters. Gone is the Northern Ireland Secretary's careful "low profile" approach to military operations aimed at keeping tempers cool. In its place there is Mr. Wilson's tough and dramatic decision to send in the Spearhead battalion to double troop strength in Co. Armagh and then "elements" of that controversial unit, the Special Air Service.

It was just the sort of action the Protestant Loyalist leaders had long been pressing for, and with the New Year onset of the sectarian revenge war in Co. Armagh that led to Monday's massacre of 10 Protestant workmen it is something they have lately been demanding with menaces. Mr. Wilson's decision may avert the sectarian killings there spreading into civil war, or it may raise the temperature in Ulster that events will begin to move too fast to control.

In any event, it was a move that Mr. Rees must privately be wary of. In Belfast, senior Loyalists who see the new security clampdown as a vindication of their own hardline positions have lost no time in leaking the information that on Monday morning at a meeting with Mr. Rees that was shortly to be overshadowed by the Kingsmills m/n-bus massacre, official Unionist leader, Mr. Harry West and Democratic Unionist leader the Rev. Ian Paisley had urged the use of SAS counter-insurgency experts in Co. Armagh and had been turned down flat.

With both Republican and Loyalist extremists currently calling the shots, the situation looks uglier than for several years. Mr. Gerry Fitt, leader of the mainly Catholic Social Democratic and Labour Party, considers it the "most serious ever." Emotions in Ulster are at flashpoint as the province waits for the next reprisal kill.

ings, fearful that it could be one that sets off a chain of events leading to civil war.

Nobody is quite sure what the grim streets of the two divided communities are the last man with 500,000 Catholics. Alternatively, the fear is of a Loyalist paramilitary atrocity in which a small Catholic area is "taken out" with the result that flying columns of citizens from the south drag the Republic into war.

Neither seems very likely, and it must be said after six-and-a-half years of strife, civil war in any form is still hard to imagine. Ulster is noted for teetering on the brink like an undecided suicide.

Flexibility of approach

Although the Prime Minister has been careful to stress that he has not wrenched the Ulster helm away from Mr. Rees, he has nevertheless emerged as a figure in the crisis whose experience and authority gives the British Government's approach a new flexibility. In short, he is ready to drop Mr. Rees's now familiar policies of appeasement. The flurry of activity on security matters which Mr. Wilson sparked off this week, ranging from troop reinforcements to some straight talking on cross-border cooperation with Mr. Patrick Conney, Ireland's Justice Minister, has already made an impact on Northern Ireland.

Enough of an impact, certainly, for Ulster's politicians and paramilitary chiefs to wonder what Whitehall's next move may be, which is the reverse of the usual situation. The Loyalist leaders who in the immediate aftermath of the Kingsmills massacre were solidly behind Mr. Paisley when on Tuesday he told Mr. Rees to "either do something (about security) or pack your bags and

go" had, by the end of the week, become rather more temperate in their public statements.

These factors have helped defuse the situation. The most important is that Ulster's built self-preservation reflex has apparently stayed the Protestant extremists from carrying out a massive retaliation to Monday's massacre that in the emotional climate then prevailing could have tipped the scales to open fighting. The second was Mr. Wilson's initiative, not least the resuscitation of his 1971 scheme for an Inter-Party Committee involving Government, Tories, Liberals, Unionists and the SDLP in security policy.

It is only the germ of a scheme that might eventually lead to the politicians representing the two communities in Northern Ireland sitting down and agreeing a joint security policy, rather than using security as a political football. The Prime Minister's suggestion that Convention members could eventually be invited to sit on this security committee is, in part, an indication of his hopes for an all-party approach to the problem, but it is also more than a hint of the way the Government views Ulster's immediate political future.

For the third factor that has helped damp down the crisis is next Monday's long-awaited Commons debate on the Convention report and Mr. Rees's own policy statement. If the Loyalists have quietened down in the past few days it is because they believe that on Monday Westminster will provide them with the grounds for a showdown.

Whatever is said by Mr. Rees and by Mr. Wilson, who has now also decided to speak, the House will reject the majority report steamrollered through the 78-seat Convention in November by the Unionist majority because it rejects power-sharing. If the winks and nods of Northern Ireland Office advisors at Stormont Castle are any guide, the rejection will appear gentle to the point of regretfulness and Mr. Rees will use a form of words

designed to encourage the Loyalists to take another look at their report. He will point out that anomalies and errors of detail are impossible in what amounts to a constitutional blueprint and stress the Government's willingness to allow the Convention more time to re-jig its report. In the background there will be the bait of Mr. Wilson's powerful Security Committee being open to Convention members although the Loyalists are at present deeply suspicious of the idea.

Already things have been going well for them. "Incident centres" machinery, the ceasefire, as both the Loyalists and the Irish Government agree, gave them recognition and the 12-arm truce has given them rise from the army's increased effective operations. So they have been the only to gain from the latest sectarian terror. Responsible for Kingsmills massacre that the Loyalists and Stormont Castle at one another's throat even if they refuse to admit any links with the St. Armagh Republican force that perpetrated it, then attempted piously call on the five Protestant clergymen who negotiated the ceasefire at Feale, Co. Clare, to the sectarian spiral. The clerics understandably oblige and instead called all the paramilitary group desist.

Solving the problem

It is in Mr. Rees's nature as well as in the Government's interest that his statement in Parliament will not give a crystal clear picture of the future. It will be clouded with implicit promises and probably unequivocal on only one point. Ulstermen must solve the Ulster problem.

It is not what the Loyalists wish to hear. They want the British to stop acting the referee and point to the Provisional IRA as the single enemy. They are not alone in this; British Army chiefs share that view. Mr. Rees, on the other hand, knows that the militants of both sides are responsible for the violence, while politically to single out the Republicans carries the risk of tarring the SDLP with the same brush. And that would mean the end of any future Coalition Government for the province, either along the lines proposed last autumn by Mr. William Craig Vanguard, militant-turned-moderate or the "emergency security coalition" scheme suggested recently that is now being hotly argued in Belfast.

There has been much talk this week of a Protestant general strike, similar to the May 1974 Ulster Workers' Council stoppage that toppled the power-sharing Executive. Mr. Wilson's troop reinforcements somewhat muted that, as did the realisation that a cast-iron solid pre-

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Address(es) _____

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COMPANY NEWS & COMMENT

Waddington £0.59m. adrift at halfway

REFLECTING THE "hard year" anticipated at the AGM last August, profit before tax of John Waddington, the printing, publishing and packaging group, contracted from £1.32m to £0.59m in the 26 weeks ended October 12, 1975.

The major part of publishing activities is accounted for in the 26 weeks and these results are satisfactory, the directors state. But packaging and printing sales and margins have been unsatisfactory and there is as yet no sign of any upturn.

The group's cash position is good, "ready to finance the expected national and international business recovery forecast for the end of 1976."

The interim dividend is maintained at 1.5p a share, a 1-for-10 scrip. In the year ended March 30, 1975 total dividends of 3.45p net were paid on a record pre-tax profit of £2.42m.

In the December talks, in which a close interest was taken by the Singapore authorities, Haw Par strongly attacked the basis of the loan and the related 1975 deal, under which Haw Par brought £10m from SWS, which then had a large stake in it, a 46 per cent. interest in Slater Walker Securities (HK) Ltd. The SWS side held that it had a full claim to the loan and that the SWS (HK) deal had been at a price that was justified.

The Haw Par side also claimed that SWS should repay the £10m, or so of benefits senior SWS and Haw Par executives personally derived from the investment company.

Sydney Securities. Although it has held this is no concern of its, it seems it will be difficult for SWS to ignore this claim.

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of £12.5m on the loan is due later this month. So far, interest due has been fully paid. Mr. Goldsmith said last night he did not know of any proposal that Haw Par's new chairman, Mr. Michael Fam, should come to London next month to continue the negotiations.

In the December talks, in which a close interest was taken by the Singapore authorities, Haw Par strongly attacked the basis of the loan and the related 1975 deal, under which Haw Par brought £10m from SWS, which then had a large stake in it, a 46 per cent. interest in Slater Walker Securities (HK) Ltd. The SWS side held that it had a full claim to the loan and that the SWS (HK) deal had been at a price that was justified.

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Interim payment by Cray

IN THE six months to October 31, 1975, turnover of Cray Electronics increased by 13 per cent. to £1.94m. Although pre-tax profits fell by 13 per cent. to £219,100, the directors are confident of a more satisfactory outcome for the year—profits last time were £217,131.

In view of their confidence the directors are paying an interim dividend of 0.3p net per 10p share from first half earnings shown at 1.35p (1.78p). Last year's single final dividend was 1.3p from earnings of 3.41p.

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heavily qualified, and the new directors say there are "no practical steps which can be taken to enable the auditors to give an unqualified opinion."

The accounts show that for the year 1974 Consolidated incurred a loss, before taxation, of £1.7m. compared with a profit of £1.1m. in 1973.

Flexello pushes up its profit

DESPITE ONLY a slight increase in turnover for the 33 weeks ended October 3, 1975, profits of Flexello Castors and Wheels rose 13 per cent. from £279,400 to £312,427.

Chairman Mr. S. J. Menko explains that turnover was hit by a reduction in the volume of new orders in the second half.

Recently there has been a noticeable improvement in the amount of new orders and in business interest generally, and Mr. Menko is optimistic that turnover will show further progress in the current year. Considerable effort is being directed to increasing sales, particularly overseas where long term prospects are encouraging.

Regarding profits, he sounds a more cautious note. Much depends on the effective curbing of inflation and to the extent to which raw costs can be contained or recovered by higher sales volume.

Earnings for 1974-75 are shown at £1,737,144pp or 23p share. The directors are looking for a 22.5p (2,109pp).

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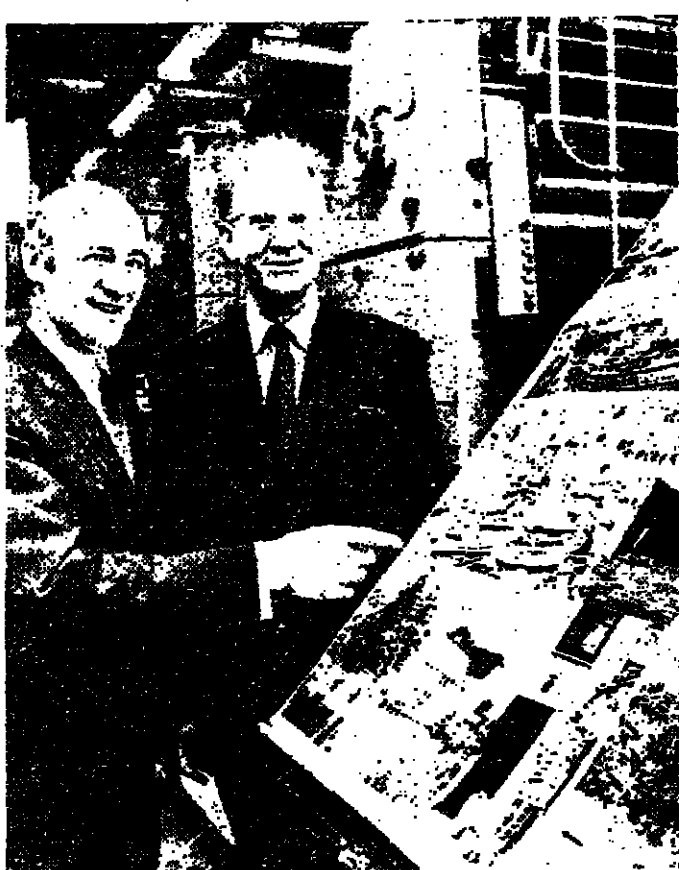
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THE WEEK'S COMPANY NEWS

Take-over bids and mergers

A major item of news on the bids and mergers front last week was the shock withdrawal, with the Take-over Panel's consent, of the U.S. Dentsply International's agreed £18m. bid for the U.K.-based dental products group AD International. This brought the ADI share price back sharply by 30 to 85p, reducing the company's stock market capitalisation to £13.3m. The offer of 70p in cash plus 46p of a new 9 per cent. Sterling/Dollar Convertible Loan for each ADI share was subject to certain conditions and undertakings between Dentsply and a group of banks to provide a facility to finance the cash part of the bid package. However, opposition arose over what should be treated as a prior charge, the cash consideration which was to be provided by the lending banks or the new Convertible Loan. It proved impossible to reach an amicable solution within an acceptable time scale and the bid has therefore been dropped.

Two companies engaged in vehicle distribution, Charles Hurst and Thompson-Reid, have reached agreement on terms for a take-over of the latter by Hurst. One Hurst Ordinary share is offered for every two of T.R. valuing each T.R. at 30p and the whole equity at £870,000. There is also a cash alternative of 25p for each T.R. Directors of T.R. owning some 57 per cent. of their company's equity, intend to accept and advise other shareholders to do likewise. The offers are conditional on the approval, which is expected to be forthcoming, of the major suppliers to both companies to continuation of franchise arrangements.

Aluminium steel coil, sheet and strip manufacturers Coated Metals has received an approach which could lead to a bid of 85p per share or a total value of about £1m. from C. Walker, a major private steel stockholding concern. Companies controlled by Mr. J. Walker, joint chairman of Walker, have already amassed a 18 1/2 per cent. stake in CM.

Emu Wine has announced that Bell Bros., of Western Australia, has raised its shareholding in the former to 32.49 per cent. Bell is aware of its obligation to bid for the remaining Emu equity and discussions are now taking place. A rise of 23 to 150p in Emu's shares since the news capitalises the company at £24m.

Bewster Corporation has received "preliminary" approaches which might result in an offer being made for one of its Hong Kong subsidiaries, the near-70 per cent.-owned Cathay Securities, which has property and shipping interests.

Maple Macowards, the retail stores and property group in which Jessel Securities has a stake of about one-third has breached the terms of the trust deed of its 91 per cent. secured loan stock by disposing of certain assets whose sale was restricted by a change in the deed.

As a result, the trustees, Eagle Star Insurance, have asked the company to call a meeting of shareholders and loan stock holders to approve a variety of changes in borrowing limits, and in the terms relating to the loan stock.

The aim is to enable the group to pursue its plans to reorganise and rationalise the group to achieve an ongoing and viable trading operation.

The directors point out that, apart from the breach of the trust deed it is feared that a provision of £2m may have to be made against the £18.3m. book value of its Tottenham Court Road (TCR) development site, and this would give rise to a £44.8m. deficit on the balance sheet.

In the face of these problems, the company is proposing that the interest coupon on the loan stock be increased from 9 1/2 per cent. to 10 1/2 per cent. and stockholders will get a second charge over the TCR site, ranked after the £18m. secured loan stock.

In return, there would be a two year waiver of the clause restricting asset sales, and borrowing limits would be increased to £21m. for two years, to replace the two existing limits of £25m. and £20m. respectively. Also, the borrowing powers under the Articles will be fixed at £22m.

Extraordinary meetings of shareholders and of loan stock holders, are called for February 24 and 25 respectively.

AGAINST the interim estimate of a figure in the region of £17m. Bett Brothers, building and public works contractors, housing estate developers, etc., turns in taxable profits of £1,744,848 for the year to August 31, 1975.

For the previous year the balance was £1,823,054, but this included an exceptional surplus of £44,857 from a site of development, the cost of which was treated as trading stock. The tax charge this time is £340,955 against £380,882 previously.

The net dividend total is lifted from 2,559,590 to 2,770,290 per 20p share with a final of 1.6331p—£43,272 (£40,349) of the final is being waived following £20,845 (£22,477) waivers on the interim.

Also announced is a 1-for-1 scrip issue to holders of the £1.5m. equity capital.

The auditors are unable to confirm that the investment in associates and their share of revenue in group results are fairly stated. Meeting, 31, Ristonsmead, E.C., February 6 at 11.30 a.m.

Estates House progress

A letter has been sent to shareholders of Estates House Investment Trust, the company created by the merger of 15 quoted companies and six unquoted companies in the "Lowson Group", outlining progress since formation of the company last summer.

Originally, it was considered inappropriate to either unfreeze or liquidate the assets involved, because of the highly complicated nature of the company, and the lack of marketability of the majority of the underlying assets.

And the tone of the latest letter suggests that nothing much has changed, though it contains a valuation of assets amounting to around 300p per share.

Speedwell Gear loss

Sheet metal engineers, Speedwell Gear Case Company incurred a loss of £81,981, before tax, for the year to July 31, 1975, and there is no dividend.

Turnover was £11.8m. compared with £10.2m. in 1974-75 there was a profit of £41,589 before tax of £17,000 and the dividend was 3.41p per 25p share.

Figures for 1974-75 included an extraordinary credit after tax of £25,317. This represented a release of a provision for losses of a subsidiary made in an earlier year resulting from the sale by the subsidiary of freehold premises giving rise to a realised surplus.

BOWRING LOAN

The offer on behalf of C. T. Bowering and Co. to exchange the outstanding 5 per cent. Convertible Unsecured Loan Stock 1987 for a new 10 per cent. Convertible Unsecured Loan Stock 1987 is being waived following £20,845 (£22,477) waivers on the interim.

Also announced is a 1-for-1 scrip issue to holders of the £1.5m. equity capital.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£'000)	Earnings per share (p)	Dividends per share (p)
Allied Breweries	Sept. 27	60,190 (37,364)	6.1 (5.9)	3.201 (3.0)
Bakers Stores	Sept. 27	136 (102)	3.4 (2.0)	0.89 (0.947)
Bertrams	Sept. 28	305 (150)	3.4 (2.5)	1.85 (1.75)
Birmingham Pallet	Oct. 31	278 (386)	12.8 (18.5)	5.0 (6.740)
Hawkins & Tinson	Aug. 31	1,201 (864)	9.9 (7.9)	3.25 (2.613)
McCorquodale	Sept. 30	2,444 (1,823)	27.0 (20.4)	12.75 (11.329)
J. F. Nash	Sept. 30	520 (275)	13.0 (4.7)	4.215 (3.95)
Norfolk Capital	Sept. 30	48 (133)	0.5 (1.5)	0.2 (0.5)
Tobacco Securities	Oct. 31	5,327 (5,327)	11.1 (11.7)	11.375 (10.538)
U.U. Textiles	May 3	331L (241)	— (3.5)	0.219 (1.47)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£'000)	Interim dividends per share (p)
AGB Research	Oct. 31	251 (290)	1.3 (0.977)
Alliance Alders	Oct. 31	1,157 (1,096)	0.465 (0.436)
Allied Retailers	Oct. 11	1,461 (1,518)	1.8 (1.8)
Brit. C. Ind. Ind.	Jul. 31	2,041 (1,834)	0.653 (0.67)
Brit. C. Ind. Ind.	Jul. 31	2,041 (1,834)	0.653 (0.67)
Brown & Tawse	Sept. 30	913 (1,021)	0.586 (0.503)
Butterfield-Harvey	Sept. 30	753 (825)	0.873 (0.73)
Coleman Indus.	Sept. 30	103 (154)	— (—)
E.R.F. (Hides)	Oct. 11	264L (1,377)	NIL (1.682)
Esperanza Trade	Sept. 30	1,075 (1,476)	1.6 (1.5)
Halma	Sept. 30	66 (183)	0.56 (0.56)
Hawley-Goodall	June 30	281 (22)	— (—)
Samuel Heath	Sept. 30	228 (51)	— (—)
Hollis Group	Sept. 30	82 (190)	0.894 (0.838)
Holloway Group	Oct. 31	1,615 (1,355)	— (—)
Hilbury	Sept. 30	211 (211)	0.704 (NIL)
Morgan Crucible	Sept. 30	3,938 (4,714)	— (—)
Newall Machine	Sept. 30	139 (38)	— (—)
Ratners (Jewellers)	Oct. 5	382 (108)	0.683 (0.538)
Symposium	Oct. 31	118 (108)	— (—)
Stanleylands	Sept. 14	84 (59)	0.7 (0.7)
Stead & Simpson	Sept. 30	770 (716)	0.3 (0.3)
Stock Conversion	Sept. 30	2,189 (2,189)	0.05 (0.05)
Synovis Engin.	Sept. 30	128 (80)	0.263 (0.263)
Wilkinson Match	Sept. 30	4,803 (4,323)	3.078 (2.884)

(Figures in parentheses are for corresponding period.)

* Dividends shown net except where otherwise stated.

* Adjusted for any intervening scrip issue. † For 28 weeks.

* Second interim. ‡ For 9 months. L Loss.

Rights Issue

Brown Boveri Kent: One-for-four at par.

Philip Shelbourne on Allied Board

Mr. Philip Shelbourne, chairman of Samuel Montagu and Co., has been appointed a non-executive director of ALLIED BREWERIES.

Mr. N. H. Nicholls has been appointed sales director and Mr. D. W. Hopkins works director of GEORGE BURN and of LaBurn, subsidiaries of BURN TUBES.

In addition, Mr. F. Langford has been appointed special director with responsibility for production.

Mr. Dennis Edwards has become financial director of A. R. MOWBRAY AND CO. He became associated with the company in 1969 and was appointed secretary the following year.

Mr. Christopher Procter has been appointed managing director of PROCTER BROS. (WIREWORKS).

Mr. C. A. Thomas has been appointed secretary general of the CORPORATION OF LLOYD'S, following the retirement of Mr. C. G. Wastell. Mr. Thomas, who for the past six months has been deputy secretary general, was in previously finance controller. At the same time Mr. C. T. G. Blackmore becomes head of administration of the Corporation.

Mr. R. W. James, a member of the Diplomatic Service, until recently Second Secretary (Commercial) at Enns, has been appointed First Secretary (Agriculture and Food) on the staff of H.M. Ambassador in Dublin. Mr. James succeeds Mr. J. White, who has returned to the Ministry of Agriculture and Food on completion of his tour of duty.

Mr. D. D. Dennis has been appointed senior vice-president and general manager, United Kingdom and Ireland, of the CANADA LIFE ASSURANCE COMPANY. Mr. Dennis, who joined Canada Life in 1964, was first appointed a vice-president of the company in 1968 and has been vice-president and general manager, United Kingdom and Ireland, for the past three years.

Mr. E. J. Fowles has been appointed head of the investment division of WILLIAMS AND GLYNES Bank in succession to Mr. J. H. Murray.

Mr. A. P. Ballantyne-Evans, Mr. E. P. MacKenna and Mr. J. R. C. Wren, senior executives in the MICHELLE COTTS GROUP, have been appointed to the Board.

Mr. James Roxborough has been appointed director of the PETROLEUM INDUSTRIES TRAINING BOARD from February 1 in succession to Mr. T. L. Stephens, who has occupied that post since the Board was established in 1967. Mr. Roxborough has been personnel relations adviser to the Oil Service Company of Iran since July last year.

The following appointments have been made to the Board of P. MURRAY-JONES, Joint Managing Directors, Mr. J. N. M. Cheetham, Mr. R. C. Everard, Mr. J. H. Gunn, Mr. J. N. Irvine, and Mr. P. G. La Niece: Non-executive director, Mr. T. W. Fellowes.

Mr. Harold Parnell has been appointed sales director of TRIST DRAPER.

Mr. Alan Coombs has been appointed director of U.K. sales within CMC COMPUTER MAIN AGENTMENT GROUP U.K. He was previously joint-managing director of CMC's Belgium computer service company.

Mr. L. Brett has been appointed managing director of MEDENS TRUST in place of Mr. G. F. Corber who has retired. Mr. D. Varcoe and Mr. D. J. Smith become executive directors.

Miss Beryl Cooper has been appointed director of HOUSING CORPORATION following the retirement of Mrs. Pauline Crabbe for personal reasons. The appointment is for three years.

Mr. A. R. Grant has been appointed a director of GEORGE WIMPEY. Mr. Grant continues as president of George Wimpey Canada.

GLM FRANCE, which begins operation this month, is a subsidiary of Société Européenne de Travaux de Génie Civil, which co-ordinates development of P.D. Group activities in Europe. Its main activity will be the expansion in France of the chemical tanker broking activities of Euert, Llewellyn and Merritt (1931), another group subsidiary. Mr. Christopher Foot, SEPD's president and chairman of the new company, will be on the Board. Mr. Denis Drewett, managing director of Powell Duffryn Shipping Services and chairman of GLM in Britain, Mr. Pierre Kahn de Chabille, president directeur général of Compagnie Française Powell Duffryn, and Mr. Michael Watkins, a director of Powell Duffryn Shipping Services and managing director of GLM in the U.K.

RECENT ISSUES

EQUITIES

Issue Price	Amount Paid up	Latest Dividend	1975/6	Stock	Uniting	Div. T or A	Div. T or A	Div. T or A	Div. T or A
500	P.P.	12/12/30/1	180	180	Anglo-Am Asphalt	180	180	180	180
100	P.P.	12/12/30/1	180	180	Anglo-Am Asphalt	180	180	180	180

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Dividend	1975/6	Stock	Uniting	Div. T or A	Div. T or A	Div. T or A	Div. T or A
100	P.P.	12/12/30/1	180	180	Anglo-Am Asphalt	180	180	180	180
100	P.P.	12/12/30/1	180	180	Anglo-Am Asphalt	180	180	180	180

"RIGHTS" OFFERS

Issue Price	Amount Paid up	Latest Dividend	1975/6	Stock	Uniting	Div. T or A	Div. T or A	Div. T or A	Div. T or A
100	P.P.	12/12/30/1	180	180	Anglo-Am Asphalt	180	180	180	180
100	P.P.	12/12/30/1	180	180	Anglo-Am Asphalt	180	180	180	180

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U.K. Recovery

1976 won't be an easy year, but there are indications that international economies are recovering. At home, acceptance of the Government's pay policy and a downturn in the rate of inflation should provide scope for an upturn in the economy.

These are encouraging signs for prospective investors in Hill Samuel Capital Trust because the Trust was formed to provide investors with long-term capital growth by selective investment in a spread of well managed companies. Most of these are British but as opportunities arise the Trust invests overseas.

Prospects for investors

At the present level of the stock market, we believe that equities continue to offer an attractive investment for future capital appreciation and we have maintained the Trust in a fully invested position.

Which is what you need nowadays.

Remember, the price of units and the income from them can go down as well as up.

You should consider your investment as a long-term one.

And because unit trusts are entirely a matter of the market and management, you should carefully consider the management record.

Management expertise

The quotation from the Financial Times at the head of this advertisement speaks for itself.

The Managers are part of Hill Samuel Investment Management Limited, which manages over £900 million for unit trusts, pension funds, insurance companies and private investors. They have world-wide facilities to monitor vast amounts of economic and market information and the confidence to act upon it.

Which is what you need nowadays.

Applications will be acknowledged on day of receipt. Certificates will follow within 42 days.

Payment of income is made twice yearly on 15 March and 15 September. If you prefer to invest the income by purchasing further units please tick box in application form.

Changes Initial service charge 5% (included in the price of units) and an annual service charge of 2% (plus VAT) of the value of the Trust Fund is deducted from the Trust's gross income.

Application Form

I declare that I am/we are not resident outside the Scheduled Territories and that I/we are not acquiring the units as the nominee(s) of any person(s) resident outside these Territories.

If you are unable to make this declaration, it should be deleted and the application lodged through a bank, stockbroker or solicitor in the United Kingdom.

Signature

Date

(If there are joint applicants, all must sign)

Post Code

Please tick

Income reinvested

Share Exchange Scheme details

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Table with multiple columns listing various financial data, including company names, shares, and prices. Includes a 'Winners' section on the left side.

Table with multiple columns listing various financial data, including company names, shares, and prices. Includes a 'Losers' section on the left side.

Table with multiple columns listing various financial data, including company names, shares, and prices. Includes a 'Rises and Falls' section on the left side.

Table with multiple columns listing various financial data, including company names, shares, and prices. Includes a 'New Highs and Lows for 1975/76' section on the left side.

HOTELS—Continued

25	1.54	1.6	1.7
26	1.43	1.5	1.6
27	1.32	1.4	1.5
28	1.21	1.3	1.4
29	1.1	1.2	1.3
30	0.99	1.1	1.2
31	0.88	1.0	1.1
32	0.77	0.9	1.0
33	0.66	0.8	0.9
34	0.55	0.7	0.8
35	0.44	0.6	0.7
36	0.33	0.5	0.6
37	0.22	0.4	0.5
38	0.11	0.3	0.4
39	0.0	0.2	0.3
40	0.0	0.1	0.2
41	0.0	0.0	0.1
42	0.0	0.0	0.0
43	0.0	0.0	0.0
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98	0.0	0.0	0.0
99	0.0	0.0	0.0
100	0.0	0.0	0.0

وَأَمَّا الْفُلُ فَأَمَّا الْفُلُ

INDUSTRIALS—Continued										PROPERTY—Continued										TRUSTS, FINANCE, LAND										TRUSTS—Continued										CENTRAL RAND										EASTERN RAND										FAR WEST RAND										O.F.S.										DIAMOND AND PLATINUM										CENTRAL AFRICAN										AUSTRALIAN										TINS										OVERSEAS TRADES										RUBBERS AND SISALS										TEAS										Sri Lanka										Africa																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																														
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FINANCIAL TIMES

Saturday January 10 1976

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MAN OF THE WEEK

New era on the Exchange

BY MARGARET REID



YOUTH HAS not been a characteristic usually associated with the government of the Stock Exchange. Traditionally it has been associated with elder statesmen brokers, probably nearing retirement.

Yet the position has changed dramatically in the past few years so that, with the election of more mid-career members, the average age of the Exchange's 44-member Council is now 48, compared with 59 in 1968.

Thus, this week's selection of Nicholas Goodison, at 41, as the Exchange's youngest-ever chairman (he succeeded the late Michael Marriott, who had been voted in last year aged 48) can scarcely be ranked as a surprise.

But in making his choice, the Council was not only picking somebody roughly of its own generation in the hope of a long-continued spell of stability. It was also appointing the man who headed the 1972-73 Advisory Committee whose recommendations have already radically re-shaped the Stock Exchange administration—notably with the appointment of a chief executive (Mr. Robert Fell)—and will lead to further changes.

The theme of the report by Mr. Goodison's Advisory Committee was the Exchange's need for a strengthened and up-graded "civil service" for reasons of continuity and the complexity of business.

The inference drawn from this was that the Exchange's business should be partly devolved to a higher-ranking full-time staff, with more supervision resting with a proposed Executive Committee of the Council. Creation of this "inner cabinet" and implementation of others of his former Advisory Committee's recommendations—including the appointment of a financial controller—are among the new chairman's tasks.

Mr. Goodison, whose father and grandfather preceded him in his family broking firm, now Quilter Hilton Goodison, says of his role in the top post of the Exchange's government: "As a third generation man, the Stock Exchange is in my blood. I feel very involved in the industry and its structure."

And although his report envisaged the post he now holds as full-time he means to maintain touch with the market, in which he has been a property share specialist.

Mr. Goodison, a slightly-built figure of scholarly appearance, can occasionally be thought cool or even cold—though not by market colleagues. He has also sometimes been credited with distinctly conservative views on the free market and on encouragement to investment but in fact takes a broadly middle of the road position.

"I start from the hypothesis that we have a mixed economy and I'm happy with it," he says. "But for an effective capital-raising system, you have to have a mechanism in which people can sell—hence the need for a free market. Without it, raising money costs more."

"Then, the importance of the private investor is very great—he is behind the institutional investors. It isn't logical to say industry must be financed by money-raising and then discourage saving. That is piling Pelion on Ossa."

The last allusion is fitting for one who was a classical scholar at Kings College Cambridge, before joining the Exchange in 1962 and its Council in 1968 at 33. Of duty, Mr. Goodison is an expert on Matthew Boulton, the ornolu craftsman, and on hammerets. Certainly he will need a sensitive personal barometer to register the changing sentiments in the Exchange—and the public's attitude towards it.

Hundreds in heavy Beirut fighting

BY OUR FOREIGN STAFF

FIGHTING IN BEIRUT was the heaviest for nine months during a night and a day in which hundreds of militiamen on each side fought pitched battles.

The six-man Lebanese Cabinet was bitterly split over whether the Lebanese Army should be sent in and there were fears that the Government might resign.

The Palestinian guerrillas and their Left-wing Moslem allies were reported to be making only slow progress against the Phalangist forces as they thrust their way from the south of the city in an effort to link with the encircled garrison at the Tal al Zaitar refugee camp.

They also bombarded Christian-dominated districts, allegedly in retaliation for the shelling by the Right-wingers of Palestinian camps, including one at Bori, Brajneh near the international airport.

Several mortar shells fell in the airport area, but caused little damage.

Police said that at least 60 people died in 12 hours of fighting yesterday, and another 125 were wounded. The real casualty figure could be higher.

While the clashes spread, efforts to arrange a new ceasefire intensified, with the Palestinians insisting that before their men could leave their positions

four supplies must reach the Tal al Zaitar camp.

Amid the welter of claims and counter-claims, the guerrillas alleged that the 18,000-man Lebanese Army had taken the field against them, and the Phalangists confirmed that during the previous night the Army had clashed with Palestinians when its base, which lies in the middle of area of conflict, came under attack.

The army denied that it was involved, but Mr. Camille Chamoun, Interior Minister, said that it fought back whenever it was attacked, and added that it was above sectarian differences.

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Sharp fall in U.K. living standards

By William Keegan,
Economics Correspondent

THE U.K. standard of living dropped more sharply during the second and third quarters of last year than at any time since 1955, but is still no lower than the levels reached in late 1973.

In the second and third quarters of 1975 taken together, consumers' real disposable incomes were 2.8 per cent down on the inclusive period October 1974 to March 1975.

Much of the decline occurred between the first and second quarters, when real incomes fell 3 per cent.

The operation of the £6 pay limit, allied to rising prices, could lead to a further reduction in living standards this year.

The squeeze on real incomes during the third quarter was mitigated, though, by the rush to beat the pay limit during July. (The wage and salary bill shot up 6 per cent between the two quarters.)

These conclusions are based on new figures published by the Central Statistical Office yesterday, reflecting movements in consumers' disposable incomes after taking price rises into account. This is a measure which is popularly regarded as the best guide to living standards, although it does not include the benefits provided by government services, etc.

The decline in real incomes was the main factor behind a 2 per cent drop in the volume of consumer spending between the periods October 1974-March 1975 and April-September 1975.

This was a somewhat smaller reduction than the real income change and there was a fall from 10.9 per cent to 10.3 per cent in the savings ratio.

The savings ratio is generally seen by economists as the key to the behaviour of consumer spending in the months to come.

The slight reduction in the savings ratio still leaves it at historically high levels—and indeed between the second and third quarters it actually rose again from 13.0 per cent to 13.7 per cent.

Savings often rise after a sharp drop in disposable incomes and readjust to normal patterns later. In the current recession, however, the uncertainty associated with high and rising unemployment has obviously affected savings habits—and especially people's willingness to go into debt.

THE LEX COLUMN

The Bank's seal of approval

Through the terms of the new long/medium term Treasury 13 per cent 1990 the authorities yesterday granted their seal of approval to all that had gone on in the gilt-edged market earlier in the week.

The result was euphoric: prices of the high coupon long gilts jumped a further two points or so, and equities immediately caught the message, with 7 points of yesterday's index rise coming after the 3 p.m. calculation.

Until the announcement at 3.30 there was still a danger that the Bank of England might repeat its performance at the time of the last long tap issue on November 28, when on a day that MLR was cut it was made quite clear that long interest rates were to stay high.

Of course, the fact that the bank did not push out a new long tap to curb enthusiasm earlier in the week—the last one expired on Monday—strengthened the possibility that it had taken a policy decision on long term rates. Yesterday's developments demonstrated that the adjustment in its tactics has been substantial.

The redemption yield initially obtainable on the old long tap Treasury 131 per cent 1997 "A" was around 15.1 per cent, and it held that level throughout its 44-week life as a tap stock. The return on the new tap—admittedly somewhat shorter—is as much as 11 points lower. Moreover the Government Broker is no longer hammering away at the 1982-1997 area which has been relentlessly tapped since last March, producing a marked hump in the yield curve. This was flattened out in the space of an hour or two yesterday afternoon.

For the record, the price of the old long tap has put on almost seven points over the week, and the FT Government Securities Index has risen no less than 45 per cent. It passed through a ten-month high yesterday to a level not seen since November, 1973. There has not been a week like this in the gilt-edged market since that extraordinary period nearly 12 months ago when the gilts index rose 9 per cent in a week, gilt prices leapt by up to 31 points on a Friday when an expected long tap failed to appear, and the FT 30-Share Index jumped a tenth in a single day's trading.

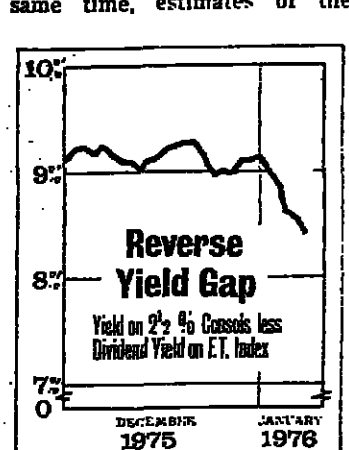
The explanation for the change of tactics by the authorities must be that the primary policy objective—the financing

Index rose 11.1 to 401.6

of the Government's borrowing requirement in a non-inflationary manner—has been satisfied, at least for the time being.

If the objective were to sell as many gilts as possible the normal technique would be to arrange a more gentle decline in interest rates. But a number of factors have combined to allow this sudden movement.

First, recent heavy sales of gilts have meant that the need to sell further stock is not quite as pressing as it was. At the same time, estimates of the



public sector borrowing requirement have been toned down a little: £12bn. is now looking like a maximum rather than par for the course. Elsewhere, sterling is holding steady, and U.S. interest rates are falling with a wave of prime rate cuts by major banks yesterday. All this has enabled the Bank to turn its attention to a secondary objective, that of cheapening the borrowing costs of the Government and, incidentally, the private sector.

The strength of gilts has had a predictable effect on the equity market, where the size of the reverse yield gap had come to be seen as a serious constraint. In the past five days the gap has narrowed sharply. However, in technical terms the market is more overbought than it has been for many months, and last night's rise through 400 owed a lot to jobbers' mark-ups. The quality of buyers in recent weeks has not looked all that impressive. According to dataSTREAM, the secondary financials account for two-thirds of the thirty best share price performances put up except the strike-batter by large companies since the quarter of 1974.

last market peak in Nov and there is scarcely a bit on the list. Moreover market has not been so tested by rights issues in weeks, and it will be if it on like this into the multi season.

Maple Macowards

Shareholders and loan holders of Maple Macowards being asked to amend limits and trust deeds—the group the time an ability needed to let an sell its development in Court Road, Lond which its whole future d A pro-forma balance shows debt of £17.4m, holders' funds of £10.4 the development inclu £16.4m. But the group n siders that in the accou the year ending Januar write-off of about £2m. m to be made, mainly London scheme. This infringe current bo limits of twice capital serves, so it is now pr a restriction of £22m. similar limit for the lo whose deeds have alrea breached by certain sit.

The provision of a £1m. banking facility to ing capital is conditio these proposals going i so in practice sharehol loan stockholders hav alternative since refus also obviously underm the likely written down the development is n able worth in its curre but an estimate of m value when lot. The has enabled the Bank to turn its attention to a secondary objective, that of cheapening the borrowing costs of the Government and, incidentally, the private sector.

Company profits

The equity market have time to notice it y but the latest official a on company profits depressing. Gross profits of companies o ease, in the third qua with stock appreciation relatively high. Profits less stock appreci £13.2bn. for July-Se quarter figure. The s secondary financials acco GDP was down to 3.6 p two-thirds of the thirty best share price performances put up except the strike-batter by large companies since the quarter of 1974.

Dublin raises spectre of Ulster civil war

BY GILES MERRITT

THREE leading members of the Irish Government publicly expressed their fears yesterday that civil war was imminent in Ulster and that there was a danger it could spill over into the Republic.

Dr. Conor Cruise O'Brien, Minister for Posts and Telegraphs, warned: "We can have no doubt any longer that civil war is not an alarmist fantasy but a real danger for which we have to prepare."

He went on to make it clear that the Irish Republic could not in that event count on remaining untouched by the violence.

"Working class people in the South are now threatened both by the actions of the Provisional IRA and the so-called reprisals of their Loyalist enemies."

Mr. Patrick Cooney, Justice Minister, said after his return from talks on tightening cross-border security with Mr. Merlyn Rees, Ulster Secretary, in London, that there was now a very real danger of a Protestant backlash against the Republic.

With the threat that the North could drift into civil war, he said what is important is that we down here remain cool and calm, because it is quite possible to envisage a situation where very strong emotions are let loose on this island."

The Dublin authorities have, however, held that Mr. Cooney's discussions in London resulted in a decision to establish a direct "hot line" between

the Irish and British armies, and reports of Irish troop reinforcements along the Border zone have also been denied.

Dr. Garret FitzGerald, Minister for Foreign Affairs, singled out the Provisional IRA as directly responsible for beginning the sectarian war.

"Beside the spectre of massacre and civil war raised by gangster elements, arguments about other issues must take second place," he said. "The alternative is of uniting to eradicate violence or being submerged by it."

In Belfast, the majority Unionist coalition is still saying that the British Government will not reject its report from the Ulster Convention.

Mr. Rees is expected to announce the Government's views on the report in the House of Commons on Monday and in a last-ditch effort to make their demands for a return of majority rule more palatable to MPs the Unionists have published a pamphlet summarising their position.

In an accompanying statement they said that it was remarkable that "so-called expert commentators" should suggest that the report would be rejected, because it did not favour power-sharing.

The coalition said that it believed that it had produced recommendations in line with the Government's request for proposals which would command majority and widespread support from conventional members.

The pamphlet speaks of "deci-

sions" taken in the Convention but does not mention voting figures, particularly the final one when the coalition voted through its report by 42 to 31.

The coalition said that, because it believed that the majority, including MPs, had given the Convention report insufficient study, it had prepared a summary. By publishing it yesterday, however, it left MPs little time before Monday's Commons debate.

Mr. William Craig, Vanguard leader, who was expelled from the Unionist coalition because of his support for a limited type of power-sharing, said after a meeting with Mr. Rees that there was no reason to believe that the Convention report as it now stood would be accepted.

It was Mr. Rees's last chance to meet Ulster politicians before his speech in the House.

Mr. Craig was quick to say afterwards that he hoped there would be a further chance to obtain an agreement consistent with the proposals of the majority report—in other words, on the voluntary emergency coalition which he has been advocating.

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All happy with IMF package

BY GUY DE JONQUIERES

KINGSTON, Jamaica, Jan. 9.

ALL 20 FINANCE Ministers leaving Kingston today, after this week's intensive negotiation on international monetary reform, are able to praise the major new package of measures agreed as a bargaining victory for their respective Governments.

The package meets one of the main U.S. objectives by greatly diminishing the role of gold in the international monetary system.

At the same time, France's insistence on being able to buy as well as sell gold is satisfied through agreement on arrangements for auction off of stock of the International Monetary Fund's holding.

Differences between U.S. and French views on exchange rates are accommodated in a proposed amendment to the IMF article four which legitimates the existing regime of floating rates while allowing individual countries to maintain fixed parities, provided that they are not pegged to gold.

The amended article, the text of which was released today, also provides for increased IMF surveillance to ensure "clean" floating and lays down a mechanism for a general return to a par value system, should this be considered desirable by its members in future.

The flexibility of the amendment was emphasised today by Mr. Edwin Yeo, the deputy U.S. Treasury Secretary, who argued that it was based on the recognition that monetary stability depended on underlying international economic and financial conditions rather than of rigid artificial systems.

Though the amended article requires member countries to supply fuller information on their exchange rate policies and practices to the IMF, Mr. Yeo was careful to point out that it does not provide the Fund with new powers either to intervene in the exchange market or to compel changes in member's domestic economic policies.

Mr. Yeo shed little new light on the practical implementation of the concerted central bank intervention policy agreed on by the U.S. and France at the Rambouillet summit last November.